

STATE OF MINNESOTA

Journal of the Senate

SEVENTY-NINTH LEGISLATURE

NINETY-FIFTH DAY

St. Paul, Minnesota, Monday, March 11, 1996

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. David Riveness.

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

The roll was called, and the following Senators answered to their names:

Anderson	Hottinger	Laidig	Neuville	Robertson
Beckman	Janezich	Langseth	Novak	Runbeck
Belanger	Johnson, D.E.	Larson	Oliver	Sams
Berg	Johnson, D.J.	Lesewski	Olson	Samuelson
Berglin	Johnson, J.B.	Lessard	Ourada	Scheevel
Betzold	Johnston	Limmer	Pappas	Solon
Chandler	Kelly	Marty	Pariseau	Spear
Cohen	Kiscaden	Merriam	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Fischbach	Knutson	Moe, R.D.	Price	Terwilliger
Flynn	Kramer	Mondale	Ranum	Vickerman
Frederickson	Krentz	Morse	Reichgott Junge	Wiener
Hanson	Kroening	Murphy	Riveness	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 2317, 2760 and 1879.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 8, 1996

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 842: A bill for an act relating to occupations and professions; board of psychology; modifying board duties; changing types of licensure; changing licensure provisions; providing for discipline; providing penalties; amending Minnesota Statutes 1994, sections 148.88; 148.881; 148.89, subdivisions 2a and 5; 148.90, subdivisions 1 and 2; 148.905, subdivision 1; 148.911; 148.925; 148.941, subdivisions 2, 4, and by adding subdivisions; 148.96; 148.975; 148.98; 253B.02, subdivision 11; Minnesota Statutes 1995 Supplement, section 147.09; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1994, sections 148.89, subdivisions 6, 7, and 8; 148.91; 148.93; 148.951; and 148.97; Minnesota Statutes 1995 Supplement, section 148.921.

Senate File No. 842 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 8, 1996

Mr. Betzold moved that the Senate do not concur in the amendments by the House to S.F. No. 842, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1996: A bill for an act relating to family law; requiring specificity in visitation orders; modifying provisions for visitation expeditors; providing for the establishment of mandatory visitation dispute resolution programs; imposing penalties; amending Minnesota Statutes 1994, sections 518.175, subdivision 1; and 518.1751.

There has been appointed as such committee on the part of the House:

Dawkins, Ostrom and Swenson, D.

Senate File No. 1996 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 6, 1996

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1800, 2565, 2816, 2588, 2256, 2781, 1922, 3055, 2841, 2402, 2419 and 2493.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 8, 1996

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 1800: A bill for an act relating to local government; requiring a sustainable development planning guide and a model ordinance to be developed for local government use by the office of strategic and long-range planning; adopting principles of sustainable development; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 4A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1655, now on General Orders.

H.F. No. 2565: A bill for an act relating to private business, trade, and correspondence schools; modifying licensing standards; clarifying miscellaneous provisions; amending Minnesota Statutes 1994, sections 141.25, subdivision 7; 141.26, subdivision 5; 141.271, subdivision 4; and 141.29, subdivision 3; Minnesota Statutes 1995 Supplement, section 136A.685.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2636, now on the Calendar.

H.F. No. 2816: A bill for an act relating to consumer privacy; regulating the use and dissemination of personally identifiable information on consumers of computer information services; amending Minnesota Statutes 1994, section 13.99, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 13D.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2454, now on General Orders.

H.F. No. 2588: A bill for an act relating to insurance; providing a process for resolving state claims for certain landfill cleanup costs and associated damages with insurers; authorizing an action by the state for recovery from insurers after a reasonable opportunity for settlement; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1994, sections 115B.44, subdivision 1; and 115B.46; Minnesota Statutes 1995 Supplement, sections 115B.44, subdivision 2; and 115B.45.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2120, now on General Orders.

H.F. No. 2256: A bill for an act relating to economic development; changing classification of the director of tourism; modifying provisions relating to business finance programs and the competitiveness task force; abolishing the main street program and the rural development board; transferring authority for certain programs; amending Minnesota Statutes 1994, sections 16B.06, subdivision 2; 116J.01, subdivision 5; 116J.581, subdivisions 2 and 4; and 116J.980, subdivision 1; Minnesota Statutes 1995 Supplement, sections 116J.58, subdivision 1; 116J.581, subdivision 1; 116J.655; 116N.03, subdivision 2; and 116N.06; repealing Minnesota Statutes 1994, sections 116J.981; 116N.01, subdivision 2; 116N.02, subdivisions 2, 3, 4, and 5; 116N.04; and 116N.07; Minnesota Statutes 1995 Supplement, section 116N.02, subdivision 1; Minnesota Rules, part 4370.0010, subpart 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2056, now on the Calendar.

H.F. No. 2781: A bill for an act relating to taxation; providing for taxation of certain property managed or owned by certain public entities or partnerships which include such entities; authorizing creation of joint powers boards for purposes of housing ownership and management; amending Minnesota Statutes 1994, sections 469.040, by adding a subdivision; and section 471.59, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1922: A bill for an act relating to highways; authorizing cities to establish a municipal involvement process for certain trunk highway construction or reconstruction projects; providing for appointment of task forces for those projects and prescribing their powers; amending Minnesota Statutes 1994, sections 161.172; 161.173; 161.174; and 161.177.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1708, now on General Orders.

H.F. No. 3055: A bill for an act relating to the housing finance agency; making technical and policy changes to the low-income housing tax credit program; amending Minnesota Statutes 1994, sections 462A.222, subdivisions 1, 1a, 3, and 4; 462A.223, subdivision 2; and 462C.05, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws

H.F. No. 2841: A bill for an act relating to employment; modifying provisions regarding minimum wages; increasing penalties; modifying employer liability provisions; imposing a penalty; changing inclusions in earnings statement; amending Minnesota Statutes 1994, sections 177.27, subdivisions 2, 4, and by adding subdivisions; 177.30; and 181.032; proposing coding for new law in Minnesota Statutes, chapter 181; repealing Minnesota Statutes 1994, sections 177.27, subdivision 6; 177.33; and 181.17.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2397, now on General Orders.

H.F. No. 2402: A bill for an act relating to motor vehicles; abolishing vehicle registration tax exemption for representatives of foreign powers; allowing special license plates for certain persons to be issued to owner of certain trucks; removing restriction on time to apply for disability plates; changing fee and certain administrative procedures relating to the registration program for fleet vehicles; abolishing requirements to keep records of motor vehicles not using the highways and to prepare certain unnecessary reports; making various technical changes; amending Minnesota Statutes 1994, sections 168.021, subdivision 1; 168.12, subdivisions 2a and 2b; 168.127; 168.325, subdivision 1; 168.33, subdivision 6; and 168.34; Minnesota Statutes 1995 Supplement, sections 168.012, subdivision 1; and 168.10, subdivision 1i; repealing Minnesota Statutes 1994, section 168.33, subdivisions 4 and 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2209, now on General Orders.

H.F. No. 2419: A bill for an act relating to alternative energy; clarifying a mandate for certain utilities to generate electric power using biomass fuel; amending Minnesota Statutes 1995 Supplement, section 216B.2424.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2238, now on General Orders.

H.F. No. 2493: A bill for an act relating to retirement; modifying provisions of various local pension plans; making miscellaneous benefit and administrative changes; amending Minnesota Statutes 1994, sections 353B.11, subdivisions 1 and 3; and 353B.13; Laws 1965, chapter 519, section 1, as amended; Laws 1992, chapter 563, section 5; Laws 1994, chapter 490, section 2; and Laws 1995, chapter 262, article 7, section 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2126, now on General Orders.

SECOND READING OF SENATE BILLS

S.F. No. 2874 was read the second time.

MOTIONS AND RESOLUTIONS

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of the Calendar.

CALENDAR

S.F. No. 2255: A bill for an act relating to local government; providing for certain vacancies in the elected offices of mayor or council member in statutory cities, county commissioner, and school board; amending Minnesota Statutes 1994, sections 127.09; 375.101; and 412.02, subdivision 2a, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Laidig	Neuville	Riveness
Beckman	Janezich	Langseth	Novak	Robertson
Belanger	Johnson, D.E.	Larson	Oliver	Runbeck
Berg	Johnson, D.J.	Lesewski	Olson	Sams
Berglin	Johnson, J.B.	Lessard	Ourada	Samuelson
Betzold	Johnston	Limmer	Pappas	Scheevel
Chandler	Kelly	Marty	Pariseau	Solon
Dille	Kleis	Merriam	Piper	Spear
Fischbach	Knutson	Metzen	Pogemiller	Stevens
Flynn	Kramer	Moe, R.D.	Price	Stumpf
Frederickson	Krentz	Mondale	Ranum	Vickerman
Hanson	Kroening	Murphy	Reichgott Junge	Wiener

So the bill passed and its title was agreed to.

S.F. No. 2540: A bill for an act relating to health; changing the date by which the commissioner of administration must present to the legislature recommendations on private sector administration of the MinnesotaCare program; amending Laws 1995, chapter 234, article 6, section 44.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Langseth	Novak	Runbeck
Beckman	Johnson, D.E.	Larson	Oliver	Sams
Belanger	Johnson, D.J.	Lesewski	Olson	Samuelson
Berg	Johnson, J.B.	Lessard	Ourada	Scheevel
Berglin	Johnston	Limmer	Pappas	Solon
Betzold	Kelly	Marty	Pariseau	Spear
Chandler	Kleis	Merriam	Piper	Stevens
Fischbach	Knutson	Metzen	Price	Stumpf
Flynn	Kramer	Moe, R.D.	Ranum	Vickerman
Frederickson	Krentz	Mondale	Reichgott Junge	Wiener
Hanson	Kroening	Murphy	Riveness	
Hottinger	Laidig	Neuville	Robertson	

So the bill passed and its title was agreed to.

S.F. No. 2023: A bill for an act relating to health; regulating coverage; requiring a health plan company to offer at least one point-of-service product in each market in which it operates; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Johnston	Larson	Murphy
Beckman	Flynn	Kelly	Lesewski	Neuville
Belanger	Frederickson	Kleis	Lessard	Novak
Berg	Hanson	Knutson	Limmer	Oliver
Berglin	Hottinger	Kramer	Marty	Olson
Betzold	Janezich	Krentz	Merriam	Ourada
Chandler	Johnson, D.E.	Kroening	Metzen	Pappas
Cohen	Johnson, D.J.	Laidig	Moe, R.D.	Pariseau
Dille	Johnson, J.B.	Langseth	Mondale	Piper

Pogemiller	Riveness	Sams	Solon	Stumpf
Price	Robertson	Samuelson	Spear	Vickerman
Ranum	Runbeck	Scheevel	Stevens	Wiener
Reichgott Junge				

So the bill passed and its title was agreed to.

H.F. No. 2310: A bill for an act relating to health; transferring certain authority from the commissioner of health to the emergency medical services regulatory board; adding two members to the emergency medical services regulatory board; adding an exemption to the medical license requirement; specifying effective date of appointments and board actions; amending Minnesota Statutes 1994, section 169.686, subdivision 3; Minnesota Statutes 1995 Supplement, sections 144.8093, subdivision 4; 144E.01, subdivision 1; and 147.09.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Langseth	Oliver	Sams
Beckman	Janezich	Larson	Olson	Samuelson
Belanger	Johnson, D.E.	Lesewski	Ourada	Scheevel
Berg	Johnson, D.J.	Lessard	Pappas	Solon
Berglin	Johnson, J.B.	Limmer	Pariseau	Spear
Betzold	Johnston	Marty	Piper	Stevens
Chandler	Kelly	Merriam	Pogemiller	Stumpf
Cohen	Kleis	Metzen	Price	Vickerman
Dille	Knutson	Moe, R.D.	Ranum	Wiener
Fischbach	Kramer	Mondale	Reichgott Junge	
Flynn	Krentz	Murphy	Riveness	
Frederickson	Kroening	Neuville	Robertson	
Hanson	Laidig	Novak	Runbeck	

So the bill passed and its title was agreed to.

H.F. No. 2055: A bill for an act relating to telecommunications; requiring notice to customers of the right to require written authorization before changing intrastate telecommunications carrier or local telephone company; amending Minnesota Statutes 1994, section 237.66, subdivision 3, and by adding a subdivision; Minnesota Statutes 1995 Supplement, section 237.16, subdivision 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Langseth	Novak	Sams
Beckman	Janezich	Larson	Oliver	Samuelson
Belanger	Johnson, D.E.	Lesewski	Olson	Scheevel
Berg	Johnson, D.J.	Lessard	Ourada	Solon
Berglin	Johnson, J.B.	Limmer	Pappas	Spear
Betzold	Johnston	Marty	Pariseau	Stevens
Chandler	Kelly	Merriam	Piper	Stumpf
Cohen	Kleis	Metzen	Price	Vickerman
Dille	Knutson	Moe, R.D.	Ranum	Wiener
Fischbach	Kramer	Mondale	Reichgott Junge	
Flynn	Krentz	Morse	Riveness	
Frederickson	Kroening	Murphy	Robertson	
Hanson	Laidig	Neuville	Runbeck	

So the bill passed and its title was agreed to.

H.F. No. 2171: A bill for an act relating to state government; clarifying powers of the pollution

control agency board and commissioner; amending Minnesota Statutes 1994, sections 116.03, as amended; and 514.673, subdivision 3; Minnesota Statutes 1995 Supplement, section 116.02, by adding subdivisions.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Laidig	Neuville	Robertson
Beckman	Janezich	Langseth	Novak	Runbeck
Belanger	Johnson, D.E.	Larson	Oliver	Sams
Berg	Johnson, D.J.	Lesewski	Olson	Samuelson
Berglin	Johnson, J.B.	Lessard	Ourada	Scheevel
Betzold	Johnston	Limmer	Pappas	Solon
Chandler	Kelly	Marty	Pariseau	Spear
Cohen	Kiscaden	Merriam	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Fischbach	Knutson	Moe, R.D.	Price	Terwilliger
Flynn	Kramer	Mondale	Ranum	Vickerman
Frederickson	Krentz	Morse	Reichgott Junge	Wiener
Hanson	Kroening	Murphy	Riveness	

So the bill passed and its title was agreed to.

S.F. No. 2227: A bill for an act relating to health; allowing physicians to prescribe and administer controlled substances in cases of intractable pain; proposing coding for new law in Minnesota Statutes, chapter 152.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Laidig	Neuville	Robertson
Beckman	Janezich	Langseth	Novak	Runbeck
Belanger	Johnson, D.E.	Larson	Oliver	Sams
Berg	Johnson, D.J.	Lesewski	Olson	Samuelson
Berglin	Johnson, J.B.	Lessard	Ourada	Scheevel
Betzold	Johnston	Limmer	Pappas	Solon
Chandler	Kelly	Marty	Pariseau	Spear
Cohen	Kiscaden	Merriam	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Fischbach	Knutson	Moe, R.D.	Price	Terwilliger
Flynn	Kramer	Mondale	Ranum	Vickerman
Frederickson	Krentz	Morse	Reichgott Junge	Wiener
Hanson	Kroening	Murphy	Riveness	

So the bill passed and its title was agreed to.

H.F. No. 2682: A bill for an act relating to employment; modifying provisions governing school conference and activities leave; amending Minnesota Statutes 1994, section 181.9412.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Belanger	Betzold	Cohen	Fischbach
Beckman	Berglin	Chandler	Dille	Flynn

Frederickson	Kramer	Metzen	Pariseau	Solon
Hanson	Krentz	Moe, R.D.	Piper	Spear
Hottinger	Kroening	Mondale	Pogemiller	Stevens
Janezich	Laidig	Morse	Price	Stumpf
Johnson, D.E.	Langseth	Murphy	Ranum	Terwilliger
Johnson, D.J.	Larson	Neuville	Reichgott Junge	Vickerman
Johnson, J.B.	Lesewski	Novak	Riveness	Wiener
Kelly	Lessard	Oliver	Runbeck	
Kiscaden	Limmer	Olson	Sams	
Kleis	Marty	Ourada	Samuelson	
Knutson	Merriam	Pappas	Scheevel	

Mr. Berg, Mses. Johnston and Robertson voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2782: A bill for an act relating to local government; providing for creation of an advisory council on intergovernmental relations; proposing coding for new law in Minnesota Statutes, chapter 15.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kroening	Neuville	Robertson
Beckman	Hottinger	Laidig	Novak	Runbeck
Belanger	Janezich	Langseth	Oliver	Sams
Berg	Johnson, D.E.	Larson	Olson	Samuelson
Berglin	Johnson, D.J.	Lesewski	Ourada	Scheevel
Betzold	Johnson, J.B.	Lessard	Pappas	Solon
Chandler	Johnston	Marty	Pariseau	Spear
Cohen	Kelly	Metzen	Piper	Stevens
Dille	Kleis	Moe, R.D.	Pogemiller	Stumpf
Fischbach	Knutson	Mondale	Price	Terwilliger
Flynn	Kramer	Morse	Ranum	Vickerman
Frederickson	Krentz	Murphy	Riveness	Wiener

Ms. Kiscaden, Messrs. Limmer, Merriam and Ms. Reichgott Junge voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2260: A bill for an act relating to state government; modifying classifications for certain positions in the higher education system.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Langseth	Novak	Runbeck
Beckman	Johnson, D.E.	Larson	Oliver	Sams
Berg	Johnson, D.J.	Lesewski	Olson	Samuelson
Berglin	Johnson, J.B.	Lessard	Ourada	Scheevel
Betzold	Johnston	Limmer	Pappas	Solon
Chandler	Kelly	Marty	Pariseau	Spear
Cohen	Kiscaden	Merriam	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Fischbach	Knutson	Moe, R.D.	Price	Terwilliger
Flynn	Kramer	Mondale	Ranum	Vickerman
Frederickson	Krentz	Morse	Reichgott Junge	Wiener
Hanson	Kroening	Murphy	Riveness	
Hottinger	Laidig	Neuville	Robertson	

So the bill passed and its title was agreed to.

H.F. No. 2953: A bill for an act relating to state government; long-term care insurance; providing for a study of coverage for retiring state employees.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Laidig	Neuville	Runbeck
Beckman	Janezich	Langseth	Novak	Sams
Belanger	Johnson, D.E.	Larson	Oliver	Samuelson
Berg	Johnson, D.J.	Lesewski	Olson	Scheevel
Berglin	Johnson, J.B.	Lessard	Ourada	Solon
Betzold	Johnston	Limmer	Pappas	Spear
Chandler	Kelly	Marty	Piper	Stevens
Cohen	Kiscaden	Merriam	Pogemiller	Stumpf
Dille	Kleis	Metzen	Price	Terwilliger
Fischbach	Knutson	Moe, R.D.	Ranum	Vickerman
Flynn	Kramer	Mondale	Reichgott Junge	Wiener
Frederickson	Krentz	Morse	Riveness	
Hanson	Kroening	Murphy	Robertson	

So the bill passed and its title was agreed to.

H.F. No. 1303: A bill for an act relating to bilingual communication services; requiring state agencies to appoint persons to serve as liaisons with non-English-speaking people served by the agencies; directing agencies to prepare communication services plans; requiring the attorney general and the commissioner of administration to review and comment on the plans.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Morse	Robertson
Beckman	Hottinger	Kroening	Murphy	Sams
Berglin	Janezich	Laidig	Novak	Solon
Betzold	Johnson, D.E.	Langseth	Pappas	Spear
Chandler	Johnson, D.J.	Lesewski	Piper	Stumpf
Cohen	Johnson, J.B.	Lessard	Pogemiller	Terwilliger
Dille	Kelly	Marty	Price	Vickerman
Fischbach	Kiscaden	Metzen	Ranum	Wiener
Flynn	Kleis	Moe, R.D.	Reichgott Junge	
Frederickson	Kramer	Mondale	Riveness	

Those who voted in the negative were:

Belanger	Larson	Neuville	Ourada	Samuelson
Berg	Limmer	Oliver	Pariseau	Scheevel
Johnston	Merriam	Olson	Runbeck	Stevens
Knutson				

So the bill passed and its title was agreed to.

S.F. No. 1885: A bill for an act relating to human services; clarifying foster care payment and placement; clarifying adoption assistance; defining egregious harm in the juvenile code; amending the parental rights termination statute; amending Minnesota Statutes 1994, sections 256E.08, by adding a subdivision; 257.071, subdivision 1a, and by adding subdivisions; 257.072, subdivisions 1, 5, and 8; 257.0725; 259.67, subdivisions 4 and 6; 259.77; 260.015, by adding a subdivision; and 260.181, subdivision 3; Minnesota Statutes 1995 Supplement, sections 256.045, subdivision 3; and 260.221, subdivision 1; Laws 1995, chapter 207, article 1, section 2, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Laidig	Neuville	Robertson
Beckman	Janezich	Langseth	Novak	Runbeck
Belanger	Johnson, D.E.	Larson	Oliver	Sams
Berg	Johnson, D.J.	Lesewski	Olson	Samuelson
Berglin	Johnson, J.B.	Lessard	Ourada	Scheevel
Betzold	Johnston	Limmer	Pappas	Solon
Chandler	Kelly	Marty	Pariseau	Spear
Cohen	Kiscaden	Merriam	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Fischbach	Knutson	Moe, R.D.	Price	Terwilliger
Flynn	Kramer	Mondale	Ranum	Vickerman
Frederickson	Krentz	Morse	Reichgott Junge	Wiener
Hanson	Kroening	Murphy	Riveness	

So the bill passed and its title was agreed to.

H.F. No. 2282: A bill for an act relating to water; modifying provisions of the reinvest in Minnesota resources program; amending Minnesota Statutes 1994, section 103F.515, subdivisions 2, 3, and 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Langseth	Novak	Runbeck
Beckman	Johnson, D.E.	Larson	Oliver	Sams
Belanger	Johnson, D.J.	Lesewski	Olson	Samuelson
Berg	Johnson, J.B.	Lessard	Ourada	Scheevel
Berglin	Johnston	Limmer	Pappas	Solon
Betzold	Kelly	Marty	Pariseau	Spear
Chandler	Kiscaden	Merriam	Piper	Stevens
Cohen	Kleis	Metzen	Pogemiller	Stumpf
Dille	Knutson	Moe, R.D.	Price	Terwilliger
Fischbach	Kramer	Mondale	Ranum	Vickerman
Frederickson	Krentz	Morse	Reichgott Junge	Wiener
Hanson	Kroening	Murphy	Riveness	
Hottinger	Laidig	Neuville	Robertson	

So the bill passed and its title was agreed to.

S.F. No. 2254: A bill for an act relating to government data practices; providing a statutory process for the sealing of certain criminal records; modifying grounds for sealing records in certain cases; authorizing peace officers to issue citations for truancy; requiring that certain juveniles taken into secure custody be formally booked and fingerprinted; requiring that any known street names or aliases of certain juvenile offenders be included in the statewide juvenile information system; amending Minnesota Statutes 1994, sections 168.36, by adding a subdivision; 242.31, subdivision 2; 260.161, subdivision 1a; and 299C.13; Minnesota Statutes 1995 Supplement, sections 152.18, subdivision 1; 242.31, subdivision 1; 260.132, subdivision 1; 299C.10, subdivision 1; and 299C.11; proposing coding for new law as Minnesota Statutes, chapter 609A; repealing Minnesota Statutes 1994, sections 152.18, subdivision 2; 242.31, subdivision 3; 609.166; 609.167; and 609.168.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Larson	Olson	Samuelson
Beckman	Johnson, D.E.	Lesewski	Ourada	Scheevel
Belanger	Johnson, D.J.	Lessard	Pappas	Solon
Berg	Johnson, J.B.	Limmer	Pariseau	Spear
Berglin	Johnston	Marty	Piper	Stevens
Betzold	Kelly	Merriam	Pogemiller	Stumpf
Chandler	Kiscaden	Metzen	Price	Terwilliger
Cohen	Kleis	Moe, R.D.	Ranum	Vickerman
Dille	Knutson	Morse	Reichgott Junge	Wiener
Fischbach	Kramer	Murphy	Riveness	
Flynn	Krentz	Neuville	Robertson	
Frederickson	Laidig	Novak	Runbeck	
Hanson	Langseth	Oliver	Sams	

So the bill passed and its title was agreed to.

H.F. No. 2332: A bill for an act relating to water; modifying permit requirements; approving a consumptive use of water; amending Minnesota Statutes 1995 Supplement, sections 103G.245, subdivisions 3 and 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Larson	Oliver	Sams
Beckman	Janezich	Lesewski	Olson	Samuelson
Belanger	Johnson, D.E.	Lessard	Ourada	Scheevel
Berg	Johnson, D.J.	Limmer	Pappas	Solon
Berglin	Johnson, J.B.	Marty	Pariseau	Spear
Betzold	Kelly	Merriam	Piper	Stevens
Chandler	Kiscaden	Metzen	Pogemiller	Stumpf
Cohen	Kleis	Moe, R.D.	Price	Terwilliger
Dille	Knutson	Mondale	Ranum	Vickerman
Fischbach	Kramer	Morse	Reichgott Junge	Wiener
Flynn	Krentz	Murphy	Riveness	
Frederickson	Laidig	Neuville	Robertson	
Hanson	Langseth	Novak	Runbeck	

Ms. Johnston voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2190: A bill for an act relating to health; providing for the cancellation of recodification efforts; repealing Laws 1994, chapter 625, article 5, section 5, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Johnson, D.J.	Krentz	Marty
Beckman	Fischbach	Johnson, J.B.	Kroening	Merriam
Belanger	Flynn	Johnston	Laidig	Metzen
Berg	Frederickson	Kelly	Langseth	Moe, R.D.
Berglin	Hanson	Kiscaden	Larson	Mondale
Betzold	Hottinger	Kleis	Lesewski	Morse
Chandler	Janezich	Knutson	Lessard	Murphy
Cohen	Johnson, D.E.	Kramer	Limmer	Neuville

Novak	Pariseau	Reichgott Junge	Samuelson	Stumpf
Oliver	Piper	Riveness	Scheevel	Terwilliger
Olson	Pogemiller	Robertson	Solon	Vickerman
Ourada	Price	Runbeck	Spear	Wiener
Pappas	Ranum	Sams	Stevens	

So the bill passed and its title was agreed to.

H.F. No. 2068: A bill for an act relating to highways; designating the POW/MIA Memorial Highway.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Kroening	Murphy	Riveness
Beckman	Janezich	Laidig	Neuville	Robertson
Belanger	Johnson, D.E.	Langseth	Novak	Sams
Berg	Johnson, D.J.	Larson	Olson	Samuelson
Berglin	Johnson, J.B.	Lesewski	Ourada	Scheevel
Betzold	Johnston	Limmer	Pappas	Solon
Chandler	Kelly	Marty	Pariseau	Spear
Cohen	Kiscaden	Merriam	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Fischbach	Knutson	Moe, R.D.	Price	Terwilliger
Frederickson	Kramer	Mondale	Ranum	Vickerman
Hanson	Krentz	Morse	Reichgott Junge	Wiener

Ms. Flynn, Mr. Oliver and Ms. Runbeck voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1915: A bill for an act relating to commerce; changing the enforcement authority to the commissioner; providing continuing education and reporting requirements for certain licenses; regulating inspections of cosmetology salons and schools; regulating disclosures of information and data; regulating securities registrations and exemptions; regulating franchise registrations and definitions; modifying the definition of an aggrieved person for purposes of the real estate recovery fund; regulating cancellations of membership camping contracts; modifying the bond or insurance requirements for abstractors; regulating residential building contractors; regulating unclaimed properties and notaries public; requiring a study; removing a certain licensing exception; repealing an obsolete provision; regulating the repair of certain consumer goods; modifying agency disclosure requirements in real estate transactions; modifying licensing requirements; amending Minnesota Statutes 1994, sections 45.011, subdivision 1; 45.027, subdivision 7, and by adding subdivisions; 53A.081, subdivision 1; 60K.19, subdivisions 7, 8, and 10; 80A.05, subdivision 1; 80A.06, subdivision 3; 80A.09, by adding a subdivision; 80A.10, subdivision 4; 80A.11, by adding a subdivision; 80A.14, by adding subdivisions; 80A.15, subdivisions 2 and 3; 80C.01, by adding a subdivision; 80C.05, by adding a subdivision; 82.19, subdivision 5; 82.195, subdivision 2; 82.196, subdivisions 1 and 2; 82.197, subdivisions 1, 2, 3, and 4; 82.22, subdivision 13; 82A.11, by adding a subdivision; 82B.19, by adding a subdivision; 155A.08, subdivision 3; 155A.09, subdivision 7; 155A.095; 325F.56, subdivision 2; 326.37, by adding a subdivision; 326.87, by adding a subdivision; 326.91, by adding subdivisions; 326.991; 332.34; 345.41; 345.42; 345.43, by adding a subdivision; 345.515; 359.01, subdivisions 1 and 2; 359.02; and 359.061; Minnesota Statutes 1995 Supplement, sections 16A.6701, subdivision 1; 80A.15, subdivision 1; 82.20, subdivision 15; 82.34, subdivision 7; 83.26, subdivision 2; and 386.66; proposing coding for new law in Minnesota Statutes, chapters 45; and 332; repealing Minnesota Statutes 1994, sections 80A.14, subdivision 8; 326.95, subdivision 4; 326.97, subdivision 3; 326.99; and 345.43, subdivisions 1 and 2; Laws 1994, chapter 447, section 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.J.	Larson	Oliver	Runbeck
Beckman	Johnson, J.B.	Lesewski	Olson	Sams
Belanger	Johnston	Lessard	Ourada	Scheevel
Berg	Kelly	Limmer	Pappas	Solon
Chandler	Kiscaden	Marty	Pariseau	Spear
Cohen	Kleis	Metzen	Piper	Stevens
Dille	Knutson	Moe, R.D.	Pogemiller	Stumpf
Fischbach	Kramer	Mondale	Price	Terwilliger
Frederickson	Krentz	Morse	Ranum	Vickerman
Hottinger	Kroening	Murphy	Reichgott Junge	Wiener
Janezich	Laidig	Neuville	Riveness	
Johnson, D.E.	Langseth	Novak	Robertson	

Mr. Betzold, Ms. Hanson, Messrs. Merriam and Samuelson voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2245: A bill for an act relating to health; modifying requirements relating to home care providers and housing with services establishments; providing for licensure of housing with services home care providers; amending Minnesota Statutes 1994, sections 144A.43, subdivision 4; 144A.45, subdivision 1; and 144A.46, subdivision 1; Minnesota Statutes 1995 Supplement, sections 144B.01, subdivision 5; 144D.01, subdivisions 4, 5, and 6; 144D.02; 144D.03; 144D.04; 144D.05; 144D.06; and 157.17, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 144A; repealing Minnesota Statutes 1994, section 144A.45, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Laidig	Neuville	Runbeck
Beckman	Janezich	Langseth	Novak	Sams
Belanger	Johnson, D.E.	Larson	Oliver	Samuelson
Berg	Johnson, D.J.	Lesewski	Olson	Scheevel
Berglin	Johnson, J.B.	Lessard	Pappas	Solon
Betzold	Johnston	Limmer	Pariseau	Spear
Chandler	Kelly	Marty	Piper	Stevens
Cohen	Kiscaden	Merriam	Pogemiller	Stumpf
Dille	Kleis	Metzen	Price	Terwilliger
Fischbach	Knutson	Moe, R.D.	Ranum	Vickerman
Flynn	Kramer	Mondale	Reichgott Junge	Wiener
Frederickson	Krentz	Morse	Riveness	
Hanson	Kroening	Murphy	Robertson	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Riveness in the chair.

After some time spent therein, the committee arose, and Mr. Spear reported that the committee had considered the following:

S.F. Nos. 2123, 236, 1662, 2196, 1905, 2203, 1775, 1865, 2284, 2205, 2376, 2093, 1801, 2466, 2406, 2381, 2471 and H.F. Nos. 2040, 2380, 2532, 3217, 2415, 2116, 1540, 2630, which the committee recommends to pass.

H.F. No. 1704, which the committee recommends to pass, after the following motions:

Mr. Berg moved to amend H.F. No. 1704 as follows:

Page 40, after line 16, insert:

"Sec. 54. Minnesota Statutes 1994, section 500.24, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings here given them:

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining, or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products or the production of poultry or poultry products.

(b) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

(d) "Authorized farm corporation" means a corporation meeting the following standards under clause (1) or (2):

(1)(i) its shareholders do not exceed five in number;

(ii) all its shareholders, other than any estate are natural persons;

(iii) it does not have more than one class of shares; and

(iv) its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts; and

(v) shareholders holding 51 percent or more of the interest in the corporation must be residing on the farm or actively engaging in farming;

(vi) the authorized farm corporation, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and

(vii) a shareholder of the authorized farm corporation is not a shareholder in other authorized farm corporations that directly or indirectly in combination with the authorized farm corporation own not more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; or

(2)(i) the corporation is engaged in the production of livestock other than dairy cattle; and not engaged in farming activities otherwise prohibited under this section;

(ii) all its shareholders other than an estate, are natural persons or a family farm corporation;

(iii) it does not have more than one class of shares;

(iv) its revenue from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts;

(v) shareholders holding 75 percent or more of the control and financial investment in the corporation must be farmers residing in Minnesota and at least 51 percent of the required percentage of farmers must be actively engaged in livestock production;

(vi) the authorized farm corporation, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state;

(vii) a shareholder of the authorized farm corporation is not a shareholder in other authorized farm corporations that directly or indirectly in combination with the authorized farm corporation own not more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and

(viii) the corporation was formed for the production of livestock other than dairy cattle by natural persons or family farm corporations that provide 75 percent or more of the capital investment.

(e) "Agricultural land" means land used for farming.

(f) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3. "Pension or investment fund" does not include a benevolent trust established by the owners of a family farm, authorized farm corporation or family farm corporation.

(g) "Farm homestead" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.

(h) "Family farm partnership" means a limited partnership formed for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, none of the partners are corporations, and:

(1) at least one of the related persons is residing on ~~or~~ the farm;

(2) at least one of the related persons is actively operating the farm, and none of the partners are corporations; or

(3) the agricultural land owned by the limited partnership was, before its transfer to the limited partnership, owned by one or more of the related persons for a period of five years.

A family farm partnership does not cease to qualify as a family farm partnership because of a devise or bequest of interest in the partnership.

(i) "Authorized farm partnership" means a limited partnership meeting the following standards:

(1) it has been issued a certificate from the secretary of state or is registered with the county recorder and farming and ownership of agricultural land is stated as a purpose or character of the business;

(2) its partners do not exceed five in number;

(3) all its partners, other than an estate, are natural persons;

(4) its revenues from rent, royalties, dividends, interest, and annuities do not exceed 20 percent of its gross receipts;

(5) its general partners hold at least 51 percent of the interest in the land assets of the

partnership and reside on the farm or are actively engaging in farming not more than 1,500 acres as a general partner in an authorized limited partnership;

(6) its limited partners do not participate in the business of the limited partnership including operating, managing, or directing management of farming operations;

(7) the authorized farm partnership, directly or indirectly, does not own or otherwise have an interest, whether legal, beneficial, or otherwise, in a title to more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and

(8) a limited partner of the authorized farm partnership is not a limited partner in other authorized farm partnerships that directly or indirectly in combination with the authorized farm partnership own not more than 1,500 acres of real estate used for farming or capable of being used for farming in this state.

(j) "Farmer" means a person who regularly participates in physical labor or operations management in the farmer's farming operation and files "Schedule F" as part of the person's annual Form 1040 filing with the United States Internal Revenue Service.

(k) "Actively engaged in livestock production" means that a person performs day-to-day physical labor or day-to-day operations management that significantly contributes to livestock production and the functioning of a livestock operation."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "modifying the definition of family farm partnership;"

Page 1, line 23, after the semicolon, insert "and 500.24, subdivision 2;"

Mr. Morse questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Kelly	Lesewski	Ourada	Scheevel
Berg	Kiscaden	Limmer	Pariseau	Spear
Betzold	Kleis	Merriam	Price	
Dille	Knutson	Neuville	Reichgott Junge	
Johnson, D.E.	Kramer	Oliver	Robertson	
Johnston	Larson	Olson	Runbeck	

Those who voted in the negative were:

Anderson	Frederickson	Laidig	Novak	Samuelson
Beckman	Hanson	Marty	Pappas	Solon
Berglin	Hottinger	Metzen	Piper	Stumpf
Chandler	Johnson, D.J.	Moe, R.D.	Pogemiller	Vickerman
Cohen	Johnson, J.B.	Mondale	Ranum	Wiener
Fischbach	Krentz	Morse	Riveness	
Flynn	Kroening	Murphy	Sams	

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

Ms. Reichgott Junge moved to amend H.F. No. 1704 as follows:

Page 38, after line 22, insert:

"Sec. 52. Minnesota Statutes 1994, section 323.14, subdivision 4, is amended to read:

Subd. 4. [LIMITED LIABILITY AFTER DISSOLUTION.] (a) Subject to section 323.44, subdivision 7, the limited liability described in subdivisions 2 and 3 continues in full force for the dissolved partnership regardless of any dissolution, winding up, and termination of a limited liability partnership.

(b) If a limited liability partnership dissolves and its business is continued by a successor general partnership under section 323.37, then the limited liability described in subdivisions 2 and 3 and 4 also applies to that successor partnership until the expiration of the registration that the dissolved partnership had in effect under section 323.44 at the moment of dissolution. The successor general partnership may at any time file its own registration under section 323.44."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2457, which the committee recommends to pass with the following amendment offered by Ms. Flynn:

Page 3, after line 12, insert:

"Sec. 3. Minnesota Statutes 1994, section 43A.08, subdivision 4, is amended to read:

Subd. 4. [LENGTH OF SERVICE FOR STUDENT WORKERS.] A person may not be employed as a student worker in the unclassified service under subdivision 1 for more than 36 months. Employment at a school that a student attends is not counted for purposes of this 36-month limit. Student workers in the Minnesota department of transportation SEEDS program who are actively involved in a four-year degree program preparing for a professional career job in the Minnesota department of transportation may be employed as a student worker for up to 48 months."

Page 11, line 10, delete the first "8" and insert "9" and after the second comma, insert "and Minnesota Statutes, section 15A.081, subdivision 7b,"

Page 11, lines 16 and 19, delete "7" and insert "8"

Page 11, line 18, delete "5" and insert "6" and delete "8" and insert "9" and delete "9" and insert "10"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 8, after the first semicolon, insert "43A.08, subdivision 4;"

The motion prevailed. So the amendment was adopted.

H.F. No. 2413, which the committee recommends to pass with the following amendment offered by Ms. Johnson, J.B.:

Amend H.F. No. 2413, the unofficial grossment, as follows:

Page 8, after line 15, insert:

"Sec. 7. [390.37] [CHARGE FOR CREMATION INVESTIGATION AND APPROVAL PROCEDURES.]

A county board may allow its coroner or medical examiner to establish a reasonable charge for cremation investigation and approval procedures set out in this chapter. The charge, if established, shall be paid by the person presenting the death certification for approval."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 3013, which the committee recommends to pass with the following amendment offered by Mr. Chandler:

Amend H.F. No. 3013, as amended pursuant to Rule 49, adopted by the Senate March 4, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2306.)

Page 1, after line 20, insert:

"Sec. 2. [325E.41] [DECEPTIVE TRADE PRACTICES; ENVIRONMENTAL MARKETING CLAIMS.]

Subdivision 1. [ADOPTION OF FEDERAL GUIDES.] (a) Environmental marketing claims made by a manufacturer, packager, wholesaler, or retailer for a product sold or offered for sale or distribution in this state, including those related to the product's packaging, must conform to the standards or be consistent with the examples contained in Code of Federal Regulations, title 16, part 260, "Guides for the Use of Environmental Marketing Claims" regarding general environmental benefits claims, claims that a product or package is degradable, compostable, recyclable, or contains recycled content, and claims relating to source reduction, refillability, or ozone safety.

(b) Paragraph (a) does not apply to an environmental claim unless the claim is made in an attempt to influence purchasing decisions by end users of the product.

Subd. 2. [INVESTIGATION; ENFORCEMENT.] A person who violates this section is subject to the penalties and remedies in section 8.31."

Page 4, line 13, before "Laws" insert "Minnesota Statutes 1994, section 115A.56, is repealed."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after "program;" insert "adopting federal standards for environmental marketing claims;"

Page 1, line 8, before "repealing" insert "proposing coding for new law in Minnesota Statutes, chapter 325E;" and before "Laws" insert "Minnesota Statutes 1994, section 115A.56;"

The motion prevailed. So the amendment was adopted.

H.F. No. 2321, which the committee recommends to pass, after the following motion:

The question was taken on the recommendation to pass H.F. No. 2321.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Laidig	Murphy	Robertson
Beckman	Hottinger	Langseth	Neuville	Runbeck
Belanger	Janezich	Larson	Oliver	Sams
Berg	Johnson, D.E.	Lesewski	Olson	Samuelson
Berglin	Johnson, D.J.	Lessard	Ourada	Scheevel
Betzold	Johnson, J.B.	Limmer	Pappas	Solon
Chandler	Johnston	Marty	Pariseau	Stumpf
Cohen	Kiscaden	Merriam	Piper	Terwilliger
Dille	Kleis	Metzen	Pogemiller	Vickerman
Fischbach	Knutson	Moe, R.D.	Price	Wiener
Flynn	Kramer	Mondale	Ranum	
Frederickson	Krentz	Morse	Reichgott Junge	

The motion prevailed. So H.F. No. 2321 was recommended to pass.

S.F. No. 2643, which the committee recommends to pass, subject to the following motions:

Mr. Oliver moved to amend S.F. No. 2643 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 152.11, is amended by adding a subdivision to read:

Subd. 4. Notwithstanding subdivisions 1 and 2, a person may dispense a controlled substance included in schedule II, III, or IV of section 152.02 with a prescription written by a doctor of medicine, a doctor of osteopathy licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine, a doctor of podiatry, or a doctor of veterinary medicine lawfully licensed to prescribe in any state or jurisdiction of the United States if the prescription is dispensed:

(1) by a pharmacy located in Minnesota and is delivered by mail or other courier; or

(2) for a person who is not a resident of Minnesota but who is physically present in Minnesota at the time the prescription is dispensed.

Sec. 2. Minnesota Statutes 1994, section 152.11, is amended by adding a subdivision to read:

Subd. 5. Nothing in this section may be construed to authorize a person licensed in another state or jurisdiction to prescribe a controlled substance with intent to assist another in taking the other's own life in violation of section 609.215 with intent or knowledge that the prescription will be dispensed in Minnesota."

Amend the title accordingly

Mr. Spear moved to amend the Oliver amendment to S.F. No. 2643 as follows:

Page 1, delete section 2

The question was taken on the adoption of the Spear amendment to the Oliver amendment.

The roll was called, and there were yeas 25 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Kiscaden	Morse	Ranum
Berg	Flynn	Krentz	Murphy	Reichgott Junge
Berglin	Hottinger	Marty	Pappas	Robertson
Betzold	Johnson, J.B.	Moe, R.D.	Piper	Spear
Chandler	Kelly	Mondale	Pogemiller	Wiener

Those who voted in the negative were:

Beckman	Johnston	Lesewski	Ourada	Stevens
Belanger	Kleis	Lessard	Pariseau	Stumpf
Dille	Knutson	Limmer	Price	Terwilliger
Fischbach	Kramer	Merriam	Riveness	Vickerman
Frederickson	Kroening	Metzen	Runbeck	
Hanson	Laidig	Neuville	Sams	
Johnson, D.E.	Langseth	Oliver	Samuelson	
Johnson, D.J.	Larson	Olson	Scheevel	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Oliver amendment. The motion prevailed. So the amendment was adopted.

S.F. No. 1866, which the committee recommends to pass with the following amendment offered by Mr. Betzold:

Page 12, lines 27 and 28, delete "a preponderance of the" and insert "clear and convincing"

The motion prevailed. So the amendment was adopted.

S.F. No. 2720, which the committee recommends to pass, subject to the following motions:

Mr. Marty moved to amend S.F. No. 2720 as follows:

Page 1, after line 12, insert:

"Section 1. [PURPOSE.]

The purpose of this act is to permit a candidate to appear on the general election ballot as the nominee of more than one political party. This act does not permit the candidate's name to appear on the ballot more than once, because to do so might give the candidate an unfair advantage and might cause some voters to become confused about how to cast their votes, to vote improperly, and to have their votes not counted. This act does not permit the voter to cast a vote for the candidate's party, because the function of an election in the United States is to choose an individual to hold public office, not to choose a political party to control the office and because to do so might likewise cause some voters to become confused."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Pappas moved to amend S.F. No. 2720 as follows:

Page 2, line 2, delete "not counted" and insert "counted for the political party indicated by the voter"

Page 4, line 19, before the period, insert ", but with a separate line for each political party by which the candidate has been nominated, so that each vote will indicate both the candidate and the political party for whom the voter is voting"

Page 4, line 32, before the period, insert "in a way that permits the voter to indicate the political party for whom the voter is voting"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 5 and nays 49, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Metzen	Pappas	Pogemiller
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Those who voted in the negative were:

Beckman	Johnson, D.E.	Langseth	Neuville	Runbeck
Belanger	Johnson, D.J.	Larson	Oliver	Sams
Berg	Johnson, J.B.	Lesewski	Olson	Samuelson
Berglin	Johnston	Lessard	Ourada	Scheevel
Betzold	Kiscaden	Limmer	Pariseau	Spear
Chandler	Kleis	Marty	Price	Stevens
Fischbach	Knutson	Merriam	Ranum	Stumpf
Flynn	Kramer	Moe, R.D.	Reichgott Junge	Vickerman
Hanson	Krentz	Morse	Riveness	Wiener
Hottinger	Kroening	Murphy	Robertson	

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

H.F. No. 2152, which the committee recommends to pass with the following amendments offered by Messrs. Kleis and Vickerman:

Mr. Kleis moved to amend H.F. No. 2152, the unofficial engrossment, as follows:

Page 2, line 26, delete "ambulance, as defined in section 144.801 when the"

Page 2, line 27, delete "ambulance" and insert "authorized emergency vehicle that" and delete "a medical" and insert "an"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Vickerman moved to amend H.F. No. 2152, the unofficial engrossment, as follows:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 1994, section 160.292, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of sections 160.292 to 160.296, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 1994, section 160.292, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC SERVICE SIGN.] "Specific service sign" means a rectangular sign panel ~~not greater than 1 1/2 feet by six feet~~ displaying the name or optional business panel, or both, of a rural agricultural or tourist-oriented business, place of worship, motel, restaurant, resort, or recreational camping area, or gasoline service station or other retail motor fuel business and, where appropriate, the direction to and distance to the rural agricultural or tourist-oriented business, place of worship, recreational camping area, motel, restaurant, or resort, or gasoline service station or other retail motor fuel business.

Sec. 3. Minnesota Statutes 1994, section 160.292, subdivision 3, is amended to read:

Subd. 3. [SPECIFIC SERVICE SIGN ASSEMBLY.] "Specific service sign assembly" means a combination of specific service sign panels ~~not to exceed four panels~~ to be placed within the right-of-way on appropriate approaches to an intersection or interchange.

Sec. 4. Minnesota Statutes 1994, section 160.292, subdivision 4, is amended to read:

Subd. 4. [SPECIFIC SERVICE SIGN CLUSTER.] "Specific service sign cluster" means a grouping of specific service sign assemblies on appropriate approaches to an intersection or interchange.

Sec. 5. Minnesota Statutes 1994, section 160.292, subdivision 5, is amended to read:

Subd. 5. [NONFREEWAY TYPE TRUNK HIGHWAY.] "Nonfreeway ~~type~~ trunk highway" means all (1) roadways ~~with that are not designated~~ freeways and that have crossing traffic at grade intersections except the roadway may have an isolated interchange and (2) bypasses of outstate municipalities that have interchanges at intersections of trunk highways with local roads.

Sec. 6. Minnesota Statutes 1994, section 160.292, subdivision 10, is amended to read:

Subd. 10. [SPECIFIC SERVICE.] "Specific service" means ~~restaurants; rural agricultural or tourist-oriented businesses ;; places of worship; gasoline service stations and other retail motor fuel businesses; and motels, resorts, or recreational camping areas that provide sleeping accommodations for the traveling public.~~ "Tourist-oriented business" means a business, service, or activity that receives the major portion of its income or visitors during the normal business season from motorists not residing in the immediate area of the business or activity. "Tourist-oriented business" includes, but is not limited to: (1) a greenhouse or nursery, (2) a bait and tackle shop, (3) a marina, and (4) a gift or antique shop.

Sec. 7. Minnesota Statutes 1994, section 160.292, is amended by adding a subdivision to read:

Subd. 11. [GASOLINE SERVICE STATION; RETAIL MOTOR FUEL BUSINESS.] "Gasoline service station" or "retail motor fuel business" means a business that provides vehicle services including fuel and oil; provides restroom facilities and drinking water; provides staff for continuous operation at least 12 hours per day, seven days per week; and provides public access to a telephone.

Sec. 8. Minnesota Statutes 1994, section 160.292, is amended by adding a subdivision to read:

Subd. 12. [BUSINESS PANEL.] "Business panel" means a separately attached sign panel that shows, either individually or in combination, the brand, symbol, trademark, or logo of the business service.

Sec. 9. Minnesota Statutes 1994, section 160.293, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] Specific service signs are to be used to create and implement a system of signing for the purpose of displaying specific service information to the traveling public on nonfreeway ~~type~~ trunk highways in rural areas.

Sec. 10. Minnesota Statutes 1994, section 160.293, subdivision 2, is amended to read:

Subd. 2. [SIGNS AT INTERSECTIONS AND INTERCHANGES.] A specific service sign may be erected at the intersection or interchange of a trunk highway with an ~~interstate highway~~, a controlled access road, or a local road, ~~on bypasses of outstate municipalities~~, and at the intersection or interchange of two trunk highways. A specific service sign may not be erected if the place of business is readily visible, if effective directional advertising is visible, or if ~~the an~~ advertising sign can be legally and effectively located near the intersection or interchange.

Sec. 11. Minnesota Statutes 1994, section 160.293, subdivision 3, is amended to read:

Subd. 3. [NUMBER OF TRUNK HIGHWAY INTERSECTIONS OR INTERCHANGES.] A specific service sign for a rural agricultural or tourist-oriented business, place of worship, restaurant, motel, resort, ~~or~~ recreational camping area, or gasoline service station or other retail motor fuel business is limited to one intersection or interchange on the trunk highway system. Additional signing may be considered when the place of business is located between, or approximately an equal distance from, two or more trunk highways.

Sec. 12. Minnesota Statutes 1994, section 160.293, subdivision 4, is amended to read:

Subd. 4. [TRAILBLAZING.] Appropriate signing on local roads between a trunk highway intersection or interchange and a specific service shall be the responsibility of the specific service and the local road authority.

Sec. 13. Minnesota Statutes 1994, section 160.294, subdivision 1, is amended to read:

Subdivision 1. [CONSTRUCTION OF SIGN.] Specific service sign panels shall be made of reflective sheeting and shall be on blue background with white letters, arrows and border. The directional arrow and mileage shall be displayed on the same side of the panel as the direction of turn on specific service sign panels located on nonfreeway trunk highways at grade intersections and on exit ramps at interchanges located on bypasses of outstate municipalities. The specific service sign panel shall display only the name or optional business panel, or both, when installed on nonfreeway trunk highways at interchanges located on bypasses of outstate municipalities. Signing for straight ahead movement shall not be permitted.

Sec. 14. Minnesota Statutes 1994, section 160.294, is amended by adding a subdivision to read:

Subd. 1a. [BUSINESS PANELS.] Business panels shall be made of reflective sheeting and shall not resemble a traffic sign, signal, or device. The business' trademark, symbol, or logo shall be consistent on all business panels for a specific business. The business panel shall not include any supplemental messages or additional verbiage.

Sec. 15. Minnesota Statutes 1994, section 160.294, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC SERVICE SIGN ASSEMBLIES.] ~~Left directional panels shall be placed on top of the right directional panels. A gap shall separate a left panel from the right panel. An assembly shall be spaced preferably 300 feet, but a minimum of 200 feet from other required signing. If no other signing is located at an intersection, the assembly shall be placed 300 feet in advance of the intersection. Assemblies within a cluster shall not be placed closer than 300 feet. No specific service sign or assembly shall be placed at a location that will interfere with other necessary signing as determined by the commissioner of transportation.~~

Sec. 16. Minnesota Statutes 1994, section 160.295, subdivision 2, is amended to read:

Subd. 2. [DISTANCE TO SPECIFIC SERVICE.] A specific service sign may be placed on a nonfreeway ~~type road~~ trunk highway if the specific service is located within 15 miles of the qualifying site.

Sec. 17. Minnesota Statutes 1994, section 160.296, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] (a) A person who desires a specific service sign panel shall request the commissioner of transportation to install the sign. The commissioner of transportation may grant the request if the applicant qualifies for the sign panel and if space is available. All signs shall be fabricated, installed, maintained, replaced and removed by the commissioner of transportation. The applicant shall pay a fee to the commissioner of transportation to cover all costs for fabricating, installing, maintaining, replacing and removing. The requests for specific service sign panels shall be renewed every three years.

(b) If the applicant desires to display a business panel, the business panel for each specific service sign panel shall be supplied by the applicant. All costs to fabricate business panels shall be paid by the applicant. All business panels shall be installed and removed by the appropriate road authority. The costs for installing and removing business sign panels on specific service signs located on nonfreeway trunk highways are included in the fee specified in paragraph (a). If a business panel is stolen or damaged beyond repair, the applicant shall supply a new business panel paid for by the applicant.

Sec. 18. Minnesota Statutes 1994, section 160.297, is amended to read:

160.297 [OTHER LAWS.]

Sections 160.292 to 160.296 provide additional authority to erect signs on nonfreeway ~~type~~ trunk highways and do not limit the authority to erect highway signs provided by other law or rule."

Page 4, delete section 6

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Vickerman then moved to amend H.F. No. 2152, the unofficial engrossment, as follows:

Page 3, after line 13, insert:

"Sec. 5. Minnesota Statutes 1994, section 221.0314, is amended by adding a subdivision to read:

Subd. 9a. [HOURS OF SERVICE EXEMPTION.] The federal regulations incorporated in subdivision 9 for maximum driving and on-duty time do not apply to drivers engaged in the interstate or intrastate transportation of agricultural commodities or farm supplies for agricultural purposes in Minnesota during the planting and harvesting seasons from March 15 to December 15 of each year if the transportation is limited to an area within a 100-air-mile radius from the source of the commodities or the distribution point for the farm supplies.

Sec. 6. Minnesota Statutes 1994, section 221.033, subdivision 2a, is amended to read:

Subd. 2a. [AGRICULTURALLY RELATED EXEMPTION.] (a) This subdivision applies to persons engaged in intrastate commerce.

(b) Fertilizer and agricultural chemical retailers or their employees are exempt from the rule in section 221.0314, subdivision 4, requiring that drivers must be at least 21 years of age when:

(1) the retailer or its employee is transporting fertilizer or agricultural chemicals directly to a farm for on-farm use within a radius of 50 miles of the retailer's business location; and

(2) the driver employed by the retailer is at least 18 years of age.

~~(c) A fertilizer or agricultural chemical retailer, or a driver employed by a fertilizer or agricultural chemical retailer, is exempt from the rule in Code of Federal Regulations, title 49, section 395.3, paragraph (b), relating to hours of service of drivers, and section 395.8, requiring a driver's record of duty status, while exclusively engaged in the transportation of fertilizer or agricultural chemicals between April 1 and July 1 of each year when:~~

~~(1) the transportation is from the retailer's place of business directly to a farm within a 50-mile radius of the retailer's place of business;~~

~~(2) the fertilizer or agricultural chemicals are for use on the farm to which they are transported; and~~

~~(3) the employer maintains a daily record for each driver showing the time a driver reports for duty, the total number of hours a driver is on duty, and the time a driver is released from duty."~~

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2778, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Amend H.F. No. 2778, as amended pursuant to Rule 49, adopted by the Senate February 15, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2672.)

Page 1, after line 5, insert:

"Section 1. Laws 1991, chapter 271, section 9, is amended to read:

Sec. 9. [REPEALER.]

Section 5 is repealed effective July 1, 1996 1997, for cases filed on or after that date."

Page 1, line 17, delete "1" and insert "2"

Page 1, line 20, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "extending the streamlined dissolution procedure pilot project;"

Page 1, line 4, before the period, insert "; amending Laws 1991, chapter 271, section 9"

The motion prevailed. So the amendment was adopted.

H.F. No. 2112, which the committee reports progress, subject to the following motions:

Mr. Morse moved to amend H.F. No. 2112, the unofficial engrossment, as follows:

Page 3, line 9, delete everything after "shall" and insert "be a priority lien only against subsequent liens."

The motion prevailed. So the amendment was adopted.

Mr. Dille moved to amend H.F. No. 2112, the unofficial engrossment, as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1994, section 115.55, subdivision 5, is amended to read:

Subd. 5. [INSPECTION.] (a) ~~Except as provided in paragraph (b) (e), after December 31, 1995,~~ a local unit of government may not issue a building permit or variance ~~for new construction or replacement of a system, as defined by agency rule, or for the addition of a bedroom or bathroom~~ on property served by a system unless the system is in compliance with the applicable requirements, as evidenced by a certificate of compliance issued by a licensed inspector or site evaluator or designer. A local unit of government may temporarily waive the certificate of compliance requirement for a building permit or variance for which application is made during the period from November 1 to April 30, provided that the applicant submits a certificate of compliance by the following June 30.

~~(b) In areas that are not subject to ordinances adopted under subdivision 2,~~ A compliance inspection under this subdivision is required ~~only~~ for all new construction or replacement of a system, as defined by agency rule.

(c) If a system inspected under this subdivision is not in compliance with the applicable requirements, the inspector or site evaluator or designer must issue a notice of noncompliance to the property owner and ~~must~~ may provide a copy of the notice to the local unit of government ~~to which application for the building permit or variance was made~~ if required.

(d) If the inspector or site evaluator or designer finds that the system presents an imminent threat to public health or safety, the inspector or site evaluator or designer must include a statement to this effect in the notice and must provide a copy of the notice to the local unit of government. The property owner must upgrade, replace, or discontinue use of the system within ten months of receipt of the notice.

(e) Systems installed between May 27, 1989, and January 23, 1996, are subject to the inspection requirements of paragraphs (a) to (c). Unless paragraph (d) applies, these systems have five years from the date of the bedroom building permit to comply with applicable requirements."

Page 4, after line 7, insert:

"Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "specifying compliance requirements for certain existing individual sewage treatment systems; amending Minnesota Statutes 1994, section 115.55, subdivision 5;"

The motion prevailed. So the amendment was adopted.

Mr. Hottinger moved to amend H.F. No. 2112, the unofficial engrossment, as follows:

Page 2, line 22, before "Loans" insert "(a)"

Page 2, after line 23, insert:

"(b) No new development may be connected to an individual sewage treatment system or well financed in whole or in part with a loan under this section."

The motion prevailed. So the amendment was adopted.

H.F. No. 2112 was then progressed.

S.F. No. 1861, which the committee recommends to pass with the following amendments offered by Ms. Johnson, J.B., Messrs. Stevens and Lessard:

Ms. Johnson, J.B. moved to amend S.F. No. 1861 as follows:

Page 24, line 8, delete "115A.072, subdivision"

Page 24, line 9, delete "3;"

Page 24, line 11, after the first semicolon, insert "115.072, subdivision 3;"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Stevens moved to amend S.F. No. 1861 as follows:

Page 14, after line 15, insert:

"Sec. 17. Minnesota Statutes 1994, section 115A.9651, as amended by Laws 1995, chapter 247, article 1, section 28, is amended to read:

115A.9651 [TOXICS IN SPECIFIED PRODUCTS; ENFORCEMENT.]

Subdivision 1. [PROHIBITION.] (a) Except as provided in subdivisions 2 and 3, after January 1, 1997, no person may distribute for sale or use in this state any ink, dye, pigment, paint, or fungicide manufactured after September 1, 1994, into which lead, cadmium, mercury, or hexavalent chromium has been intentionally introduced.

(b) For the purposes of this subdivision, "intentionally introduce" means to deliberately use a metal listed in paragraph (a) as an element during manufacture or distribution of an item listed in paragraph (a). Intentional introduction does not include the incidental presence of any of the prohibited elements.

(c) The concentration of a listed metal in an item listed in paragraph (a) may not exceed 100 parts per million.

Subd. 2. [~~TEMPORARY EXEMPTION PRODUCT REVIEW.~~] (a) Subdivision 1 does not apply to an item listed in that subdivision ~~that is exempt from this section until July 1, 1998, if, by August 1, 1996, the manufacturer of the item submitted~~ submits a product review report to the commissioner a written request for an exemption by August 1, 1994 that the commissioner determines complies with clauses (1) to (3) and the manufacturer complies with the other requirements of this subdivision. The request report must include at least:

(1) an explanation of why compliance is not technically feasible at the time of the request the technical and economic feasibility of removing a listed metal from the item by July 1, 1998;

(2) how the manufacturer will comply by July 1, 1997; and a summary of public health and environmental regulations that affect use and disposal of the item;

(3) a summary of any data or reports known to the manufacturer on public health and environmental impacts of the use and disposal of the item; and

(4) the name, address, and telephone number of a person the commissioner can contact for further information.

(b) ~~By September 1, 1994, A person who uses an item listed in subdivision 1, into which one of the listed metals has been intentionally introduced, may submit, on behalf of the manufacturer, a request for temporary exemption only a product review report to the commissioner if the manufacturer fails to submit an exemption request~~ a report as provided in paragraph (a). The request report must include:

(1) an explanation of why the person must continue to use the item and a discussion of potential alternatives;

(2) an explanation of why it is not technically feasible at the time of the request to formulate or

manufacture the technical and economic feasibility of formulating or manufacturing the item without intentionally introducing a listed metal by July 1, 1998;

(3) that the person will seek alternatives to using the item by July 1, 1997, if it still contains an intentionally introduced listed metal a summary of public health and environmental regulations that affect the person's use and disposal of the item; and

(4) a summary of any data or reports known to the user on public health or environmental impacts of the use and disposal of the item; and

(5) the name, address, and telephone number of a person the commissioner can contact for further information.

(c) A person who submits a request for temporary exemption under paragraph (b) may submit a request for a temporary exemption after September 1, 1994, for an item that the person will use as an alternative to the item for which the request was originally made as long as the new item has a total concentration level of all the listed metals that is significantly less than in the original item. An exemption under this paragraph expires July 1, 1998, and the person who requests it must submit the progress description required in paragraph (e) By August 1, 1996, a manufacturer that submits a product review report under paragraph (a) must submit a report to the commissioner describing any progress made in removing the listed metal from the item and stating whether the manufacturer anticipates removal of the listed metal by July 1, 1998.

(d) By October 1, 1994, and annually thereafter if requests are received under paragraph (c), the commissioner shall submit to the legislative commission on waste management a list of manufacturers and persons that have requested an exemption under this subdivision and the items for which exemptions were sought, along with copies of the requests By October 1, 1996, a person that submits a report under paragraph (b) must submit a report to the commissioner describing any progress made to eliminate or replace the item containing the listed metal and stating whether the use of the item will be eliminated by July 1, 1998.

(e) By July 1, 1996, each manufacturer on the list shall submit to the commissioner a description of the progress the manufacturer has made toward compliance with subdivision 1, and the date compliance has been achieved or the date on or before July 1, 1998, by which the manufacturer anticipates achieving compliance. By July 1, 1996, each person who has requested an exemption under paragraph (b) or (c) shall submit to the commissioner:

(1) a description of progress made to eliminate the listed metal or metals from the item or progress made by the person to find a replacement item that does not contain an intentionally introduced listed metal; and

(2) the date or anticipated date the item is or will be free of intentionally introduced metals or the date the person has stopped or will stop using the item.

By October 1, 1996, the commissioner shall submit to the legislative commission a summary of the progress made by the manufacturers and other persons and any recommendations for appropriate legislative or other action to ensure that products are not distributed in the state after July 1, 1998, that violate subdivision 1. By December 1, 1996, the commissioner shall submit to the environment and natural resources committees of the legislature a report on progress made by the manufacturers and other persons to eliminate the use of the metals listed in subdivision 1. The report must include recommendations on whether the legislature should ban the sale or use of any of the items listed in subdivision 1 that contain a listed metal. Any recommendation for a product ban must address the risks posed by the use and disposal of the product to the public health and the environment and the costs of a product ban.

Subd. 3. [APPLICATION; ENFORCEMENT.] (a) This section does not apply to art supplies.

(b) This section may be enforced under sections 115.071 and 116.072. The attorney general or the commissioner of the agency shall coordinate enforcement of this section with the director of the office."

Page 23, after line 34, insert:

"Sec. 24. [TOXICS IN PRODUCTS; EXEMPTION REQUESTS.]

Exemption requests received by the commissioner of the pollution control agency under Minnesota Statutes 1994, section 115A.9651, are deemed to be product review reports for the purposes of section 1, subdivision 2, paragraph (a) or (b). The commissioner shall notify each person that submitted an exemption request of any additional information needed to comply with section 1, subdivision 2, paragraph (a) or (b). The additional information must be submitted to the commissioner by September 1, 1996."

Page 24, after line 14, insert:

"Section 17 is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "modifying provisions relating to toxics in products;"

Page 1, line 9, after the semicolon, insert "115A.9651, as amended;"

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 1861 as follows:

Page 8, line 23, strike "1996" and insert "1997"

The motion prevailed. So the amendment was adopted.

H.F. No. 2519, which the committee reports progress, subject to the following motion:

Mr. Morse moved to amend H.F. No. 2519, the unofficial engrossment, as follows:

Page 6, after line 12, insert:

"Sec. 4. Laws 1995, chapter 254, article 1, section 93, is amended to read:

Sec. 93. [SPENDING LIMITATION ON CONTRACTS.]

(a) During the biennium ending June 30, 1997, the aggregate amount spent by all departments or agencies defined in Minnesota Statutes, section 15.91, subdivision 1, on professional or technical service contracts may not exceed 95 percent of the aggregate amount these departments or agencies spent on these contracts during the biennium from July 1, 1993, to June 30, 1995. For purposes of this section, professional or technical service contracts are as defined in Minnesota Statutes, section 16B.17, but do not include contracts for highway construction or maintenance, contracts between state agencies, contracts paid for from insurance trust funds, gift and deposit funds, capital projects funds, or federal funds, contracts with private collection agencies, contracts that are entered into in connection with the agency's distribution of grant funds, or contracts entered into under Minnesota Statutes, section 16B.35 or 115C.093. The governor or a designated official must limit or disapprove proposed contracts as necessary to comply with this section.

(b) During the biennium ending June 30, 1997, the amount spent by (1) the house of representatives; (2) the senate; and (3) the legislative coordinating commission and all groups under its jurisdiction, from direct-appropriated funds on professional or technical service contracts may not exceed 95 percent of the amount spent on these contracts from direct-appropriated funds during the biennium from July 1, 1993, to June 30, 1995. Each entity listed in clauses (1), (2), and (3) of this paragraph must be treated separately for purposes of determining compliance with this paragraph, except that the legislative coordinating commission and all groups under its jurisdiction must be treated as one unit. For purposes of this paragraph, "professional or technical service contract" has the meaning defined in section 16B.17, but does not include contracts for actuarial services entered into by the legislative commission on pensions and retirement, or contracts with

other legislative or state executive agencies. The house of representatives committee on rules and legislative administration, the senate committee on rules and administration, and the legislative coordinating commission must each determine the amount of the reduction to be made under this paragraph."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2519 was then progressed.

H.F. No. 2059, which the committee recommends to pass with the following amendments offered by Mr. Dille and Ms. Runbeck:

Mr. Dille moved to amend H.F. No. 2059, as amended pursuant to Rule 49, adopted by the Senate February 22, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 1982.)

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 53b. [VETERINARY RECORDS.] Veterinary records on clients are classified under section 156.082."

Page 2, after line 36, insert:

"Sec. 7. Minnesota Statutes 1994, section 156.01, is amended by adding a subdivision to read:

Subd. 6. [IMMUNITY.] Members and employees of the board and consultants or other persons engaged in the investigation of violations and in the preparation, presentation, or management of and testimony pertaining to charges of violations of section 156.081 or other board regulatory provisions on behalf of the board are not civilly liable for any actions, transactions, or publications in the performance of their duties in accordance with those provisions, provided they are acting in good faith."

Page 11, after line 19, insert:

"Sec. 16. [156.082] [VETERINARY MEDICAL RECORDS.]

Veterinary records of a client that are maintained by a state agency, statewide system, or political subdivision are private data on individuals or nonpublic data as defined in section 13.02."

Page 13, after line 23, insert:

"Sec. 22. [156.122] [COURTS TO REPORT.]

The court administrator shall report to the board a judgment or finding by a court that a person regulated by the board:

(1) is mentally ill, chemically dependent, mentally ill and dangerous to the public, or is a sexual psychopathic personality or sexually dangerous person under chapter 253B or other applicable law;

(2) is guilty of a felony or gross misdemeanor; violation of a law involving the use, possession, or sale of a controlled substance; or operating a motor vehicle under the influence of alcohol or a controlled substance; or

(3) is in need of a guardian of the person under sections 525.54 to 525.61.

Sec. 23. [156.123] [COOPERATION REQUIRED.]

A regulated person who is the subject of an investigation or who is questioned in connection with an investigation, by or on behalf of the board, shall cooperate fully with reasonable requests of the board in connection with the investigation. Requests must be consistent with the nature and seriousness of the conduct being investigated. Cooperation includes responding fully and promptly to questions raised by or on behalf of the board relating to the subject of the investigation, providing copies of client and other records in the regulated person's possession relating to the matter under investigation as requested by the board, assisting the board in its investigation, which includes executing releases for records as requested by the board, and appearing at disciplinary or educational conferences scheduled by the board.

Sec. 24. [156.124] [IMMUNITY.]

A person is not civilly liable for submitting a report to the board or for otherwise reporting to the board violations or alleged violations of section 156.081 or any of the board's regulatory provisions, or for cooperating with an investigation of a report, provided that the person is acting in good faith."

Page 13, line 24, delete "156.126" and insert "156.125"

Page 14, line 17, delete "156.127" and insert "156.126"

Page 14, line 18, before "When" insert "[BOARD ACTION.]"

Page 14, line 30, delete everything after "violation"

Page 14, delete lines 31 and 32

Page 14, line 33, delete "repeated violations"

Page 15, line 9, before "When" insert "[AGREEMENT.]"

Page 15, line 26, before "Upon" insert "[DISCIPLINARY ACTION AND REINSTATEMENT FEE.]"

Page 15, line 30, before "At" insert "[ANNUAL PUBLICATION OF DISCIPLINARY ACTIONS.]"

Page 18, after line 3, insert:

"(g) This section does not limit the authority of the Minnesota racing commission to regulate veterinarians providing services at a licensed racetrack."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 21, as follows:

Those who voted in the affirmative were:

Belanger	Hanson	Kramer	Oliver	Sams
Berg	Hottinger	Laidig	Olson	Samuelson
Berglin	Johnson, D.E.	Langseth	Ourada	Scheevel
Chandler	Johnson, D.J.	Larson	Pappas	Stumpf
Cohen	Johnston	Lesewski	Pariseau	Terwilliger
Dille	Kiscaden	Lessard	Riveness	Vickerman
Fischbach	Kleis	Limmer	Robertson	
Frederickson	Knutson	Novak	Runbeck	

Those who voted in the negative were:

Anderson	Krentz	Moe, R.D.	Pogemiller	Wiener
Betzold	Kroening	Mondale	Price	
Flynn	Marty	Morse	Ranum	
Janezich	Merriam	Murphy	Reichgott Junge	
Johnson, J.B.	Metzen	Piper	Spear	

The motion prevailed. So the amendment was adopted.

Ms. Runbeck moved to amend H.F. No. 2059, as amended pursuant to Rule 49, adopted by the Senate February 22, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 1982.)

Page 14, line 29, delete "\$10,000" and insert "\$5,000"

Page 14, line 33, after the semicolon, insert "or"

Page 14, delete lines 34 to 36

Page 15, delete lines 1 to 6

Page 15, line 7, delete "(9)" and insert "(8)"

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass H.F. No. 2059.

The roll was called, and there were yeas 40 and nays 19, as follows:

Those who voted in the affirmative were:

Belanger	Hottinger	Langseth	Oliver	Sams
Berg	Johnson, D.E.	Larson	Olson	Samuelson
Berglin	Johnston	Lesewski	Ourada	Scheevel
Cohen	Kiscaden	Lessard	Pappas	Solon
Dille	Kleis	Limmer	Pariseau	Stumpf
Fischbach	Knutson	Metzen	Riveness	Terwilliger
Frederickson	Kramer	Murphy	Robertson	Vickerman
Hanson	Laidig	Novak	Runbeck	Wiener

Those who voted in the negative were:

Anderson	Janezich	Kroening	Mondale	Price
Betzold	Johnson, D.J.	Marty	Morse	Reichgott Junge
Chandler	Johnson, J.B.	Merriam	Piper	Spear
Flynn	Krentz	Moe, R.D.	Pogemiller	

The motion prevailed. So H.F. No. 2059 was recommended to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1981: A bill for an act relating to commerce; regulating the enforcement powers of the commissioner; clarifying the definition of nonconformity in respect of hearing aids; amending Minnesota Statutes 1994, section 45.027, subdivision 5, and by adding a subdivision; Minnesota Statutes 1995 Supplement, section 325G.203, subdivision 11.

Senate File No. 1981 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 8, 1996

Mr. Hottinger moved that the Senate do not concur in the amendments by the House to S.F. No. 1981, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2580:

H.F. No. 2580: A bill for an act relating to game and fish; modifying restrictions for nonresident fish houses; amending Minnesota Statutes 1994, section 97C.355, subdivision 6.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Wenzel, Sarna and Pellow have been appointed as such committee on the part of the House.

House File No. 2580 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 11, 1996

Mr. Samuelson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2580, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2625:

H.F. No. 2625: A bill for an act relating to the city of Baxter; allowing the city of Baxter to expand its public utilities commission to five members.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Wenzel, Farrell and Knoblach have been appointed as such committee on the part of the House.

House File No. 2625 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 11, 1996

Mr. Samuelson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2625, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Pappas moved that S.F. No. 2691 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Laidig moved that the name of Mr. Samuelson be added as a co-author to S.F. No. 1905. The motion prevailed.

Mr. Morse moved that S.F. No. 1766, No. 13 on General Orders, be stricken and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2008, and repassed said bill in accordance with the report of the Committee, so adopted.

H.F. No. 2008: A bill for an act relating to insurance; health; regulating childbirth and postpartum care benefits; proposing coding for new law in Minnesota Statutes, chapter 62A.

House File No. 2008 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 11, 1996

Mr. Beltzold moved that H.F. No. 2008 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mrs. Fischbach, Messrs. Kramer, Lessard, Laidig and Ourada introduced--

S.F. No. 2875: A bill for an act proposing an amendment to the Minnesota Constitution, by adding a section to article XIII; establishing the same constitutional standard for the Minnesota Constitution and the United States Constitution for issues relating to abortion.

Referred to the Committee on Health Care.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 3249 be taken from the table. The motion prevailed.

H.F. No. 3249: A bill for an act relating to the financing and operation of government in this state; modifying certain tax rates, credits, refunds, bases, and exemptions; modifying property tax exemptions, valuation, and classification; providing a senior citizen property tax deferral;

providing for the deposit of certain revenues in the highway user tax distribution and transit assistance funds; establishing an education investment fund; providing tax incentives for savings for education; changing tax increment financing, special services district, and taxing district provisions; authorizing local taxes; authorizing certain special districts; providing local levy or other authority; authorizing municipal debt; providing for certain tax base sharing; changing certain aids; modifying revenue recapture; making tax policy, collection, administrative and technical changes, corrections, and clarifications; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1994, sections 10A.31, subdivision 3a; 13.99, subdivision 97a; 103E.611, subdivision 7; 115.26, by adding a subdivision; 165.08, subdivision 5; 216B.16, by adding a subdivision; 239.761, subdivision 5; 270.067, subdivision 2; 270.07, subdivision 1; 270.102, subdivisions 1, 2, and 3; 270.70, subdivision 2; 270A.03, subdivision 2; 270B.12, by adding a subdivision; 273.02, subdivision 3; 273.11, subdivision 1a; 273.111, subdivisions 3 and 6; 273.124, by adding a subdivision; 273.13, subdivisions 22, 23, and 32; 273.1398, by adding a subdivision; 275.065, subdivision 5a; 275.07, subdivision 4, and by adding a subdivision; 275.61; 278.01, by adding a subdivision; 278.08; 279.06, subdivision 1; 279.37, by adding a subdivision; 281.17; 287.06; 289A.50, by adding a subdivision; 289A.56, subdivision 4; 290.01, subdivisions 4a and 19a; 290.06, subdivisions 2c and 22; 290.091, subdivisions 2 and 6; 290.0922, subdivisions 1 and 3; 290.095, subdivision 3; 290.17, subdivision 2; 290A.03, subdivision 11; 290A.25; 295.51, subdivision 1, and by adding a subdivision; 295.52, by adding a subdivision; 295.54, subdivisions 1, 2, and by adding a subdivision; 296.01, subdivisions 2 and 13; 296.02, by adding a subdivision; 296.025, subdivision 6; 296.141, subdivisions 4 and 5; 296.15, by adding a subdivision; 296.17, subdivision 7; 297.04, subdivision 9; 297A.01, subdivision 16; 297A.02, subdivision 5; 297A.14, by adding a subdivision; 297A.15, subdivision 6; 297A.21, subdivision 4; 297A.211, subdivision 3; 297A.24, subdivision 1; 297A.25, subdivisions 14, 37, and by adding a subdivision; 297A.256, subdivision 1; 297A.2572; 297A.2573; 297A.44, subdivision 1; 297A.46; 297B.09, subdivision 1; 297E.02, subdivisions 4 and 10; 298.01, subdivision 4e; 298.17; 298.28, subdivisions 2 and 11; 298.75, subdivision 1, and by adding a subdivision; 349.15, by adding a subdivision; 349.154, subdivision 2; 349.19, subdivision 2, and by adding a subdivision; 373.40, subdivision 7; 375.192, subdivision 2; 383B.51; 428A.01, subdivisions 2 and 3; 428A.02, subdivision 1; 444.075, by adding a subdivision; 458A.32, subdivision 4; 469.040, subdivision 3, and by adding a subdivision; 469.167, subdivision 2; 469.173, subdivision 7; 469.174, subdivision 2; 469.176, subdivision 4f; 469.1761, subdivision 1; 469.177, subdivision 3; 471.88, subdivision 14; 473.625; 477A.011, subdivisions 3, 20, 27, 32, and 35; and 477A.013, subdivision 6; Minnesota Statutes 1995 Supplement, sections 41A.09, subdivision 2a; 115B.48, by adding subdivisions; 115B.49, subdivisions 2 and 4; 116.07, subdivision 10; 124A.03, subdivision 2; 216B.161, subdivision 1; 270A.03, subdivision 7; 272.02, subdivision 1; 273.11, subdivision 16; 273.124, subdivisions 3 and 13; 273.13, subdivisions 24 and 25; 273.1398, subdivision 1; 273.1399, subdivisions 6 and 7; 275.065, subdivisions 3 and 6; 275.08, subdivision 1b; 276.04, subdivision 2; 289A.40, subdivision 1; 290.01, subdivision 19b; 290.067, subdivision 1; 290.191, subdivisions 5 and 6; 290A.04, subdivision 2h; 295.50, subdivisions 3 and 4; 295.53, subdivisions 1, 5, and by adding a subdivision; 296.02, subdivision 1; 296.025, subdivision 1; 296.12, subdivision 3; 297A.01, subdivision 3; 297A.02, subdivision 4; 297A.25, subdivisions 57 and 59; 297A.45, subdivisions 2, 3, and 4; 297B.01, subdivision 8; 428A.05; 465.82, subdivision 2; 469.169, subdivisions 9 and 10; 469.174, subdivision 4; 469.175, subdivisions 1, 5, and 6; 469.176, subdivision 2; 469.177, subdivision 1; 471.6965; 473.448; 477A.0121, subdivision 4; 477A.0132; and 477A.03, subdivision 2; Laws 1963, chapter 118, sections 1, subdivision 3; 2; 4; 6; Laws 1971, chapter 869, sections 2, subdivisions 2, as amended, 14, and 17, as added; 3, subdivisions 5, 6, and 9; 4, subdivisions 1, 2, and 5, as amended; 5, subdivisions 1 and 3; 8; 10, subdivision 3b, as added; 12, subdivisions 1, as amended, and 2, as amended; 17, subdivision 11; 19; 20, subdivision 2; 21; 24; Laws 1985, chapter 302, section 2, subdivision 1, as amended; Laws 1991, chapter 291, article 8, section 27, by adding a subdivision; Laws 1992, chapter 511, article 8, section 39; and Laws 1995, chapter 264, articles 2; sections 42, subdivision 1; and 44; 5, sections 40, subdivision 1; 44, subdivision 4; and 45, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 11A; 103D; 115B; 136A; 272; 273; 281; 287; 290; 290A; 297A; 315; 375; 428A; 462A; 469; and 477A; proposing coding for new law as Minnesota Statutes, chapters 276A; and 290B; repealing Minnesota Statutes 1994, sections 13.99, subdivision 97; 273.1316; 273.1317; 273.1318; 273.1398, subdivision 5b; 290.06, subdivision 21; 290.092; 295.37; 295.39; 295.40; 295.41; 295.42; 295.43; 295.50, subdivisions 8, 9, 9a, 11, 12, and 12a; 296.25, subdivision 1a; 297A.01, subdivision 20; 297A.14, subdivision 3;

297A.15, subdivision 5; 297A.24, subdivision 2; and 469.150; Minnesota Statutes 1995 Supplement, sections 270B.12, subdivision 11; 276.012; 290A.055; 290A.26; and 469.176, subdivision 7; Laws 1971, chapter 869, section 6, subdivision 3; Laws 1987, chapter 285; and Laws 1995, chapter 264, article 4.

CALL OF THE SENATE

Mr. Johnson, D.J. imposed a call of the Senate for the balance of the proceedings on H.F. No. 3249. The Sergeant at Arms was instructed to bring in the absent members.

Ms. Johnston moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Pages 314 to 327, delete sections 1 to 15 and insert:

"Section 1. Minnesota Statutes 1994, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND AND TRANSPORTATION SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and February 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

(b) Twenty-five percent of the money collected and received under this chapter after June 30, 1990, and before July 1, 1991, must be transferred to the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the metropolitan council.

(c) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1, for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period. as follows:

(1) from July 1, 1997, to June 30, 1999, 75 percent to the general fund, 18.75 percent to the highway user tax distribution fund, and 6.25 percent to the transit assistance fund;

(2) from July 1, 1999, to June 30, 2001, 50 percent to the general fund, 37.5 percent to the highway user tax distribution fund, and 12.5 percent to the transit assistance fund;

(3) from July 1, 2001, to June 30, 2003, 25 percent to the general fund, 56.25 percent to the highway user tax distribution fund, and 18.75 percent to the transit assistance fund; and

(4) on and after July 1, 2003, 75 percent to the highway user tax distribution fund and 25 percent to the transit assistance fund.

Sec. 2. [USE OF INCREASED REVENUES.]

Subdivision 1. All revenues deposited to the highway user tax distribution fund, both as the result of MVET transfer under section 1 and existing revenues must be used by the commissioner of transportation exclusively for the construction and maintenance of roads and highways. None of the increased revenue may be used for administrative costs.

Subd. 2. All revenues deposited to the highway user tax distribution fund as the result of MVET transfer under section 1 must be used by the commissioner of transportation exclusively for bus operating expenses. None of the increased revenue may be used for administrative expenses.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1997."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 43, as follows:

Those who voted in the affirmative were:

Fischbach	Kleis	Larson	Olson	Scheevel
Johnson, D.E.	Knutson	Lesewski	Ourada	Terwilliger
Johnston	Kramer	Limmer	Pariseau	
Kiscaden	Laidig	Neuville	Robertson	

Those who voted in the negative were:

Anderson	Flynn	Lessard	Pappas	Samuelson
Beckman	Frederickson	Marty	Piper	Solon
Belanger	Hottinger	Merriam	Pogemiller	Spear
Berg	Janezich	Metzen	Price	Stevens
Berglin	Johnson, D.J.	Moe, R.D.	Ranum	Stumpf
Betzold	Johnson, J.B.	Mondale	Reichgott Junge	Vickerman
Chandler	Kelly	Morse	Riveness	Wiener
Cohen	Krentz	Murphy	Runbeck	
Dille	Langseth	Novak	Sams	

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

Mr. Moe, R.D. moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 3, after line 67, insert:

"ARTICLE 1
PROPERTY TAX FREEZE

Section 1. Minnesota Statutes 1994, section 6.745, subdivision 1, is amended to read:

Subdivision 1. [CITIES.] Annually, upon adoption of the city budget, the city council of each home rule charter or statutory city shall forward summary budget information to the office of the state auditor. The summary budget information shall be provided on forms prescribed by the state auditor. The office of the state auditor shall work with representatives of city government to develop a budget reporting form that conforms with city budgeting practices and provides the

necessary summary budget information to the office of the state auditor. The summary budget data shall be provided to the office of the state auditor no later than ~~December~~ January 31 of the year ~~preceeding~~ each budget year.

Sec. 2. Minnesota Statutes 1994, section 134.34, subdivision 4a, is amended to read:

Subd. 4a. [SUPPORT GRANTS.] In state fiscal years 1993, 1994, ~~and 1995, 1996, and 1997~~ a regional library basic system support grant also may be made to a regional public library system for a participating city or county which meets the requirements under paragraph (a) ~~or~~, (b), or (c).

(a) The city or county decreases the dollar amount provided by it for operating purposes of public library service if the amount provided by the city or county is not less than the amount provided by the city or county for such purposes in the second preceding year.

(b)(1) The city or county provided for operating purposes of public library services an amount exceeding 125 percent of the state average percentage of the adjusted net tax capacity or 125 percent of the state average local support per capita; and

(2) the local government aid distribution for the current calendar year under chapter 477A has been reduced below the originally certified amount for payment in the preceding calendar year, if the dollar amount of the reduction from the previous calendar year in support for operating purposes of public library services is not greater than the dollar amount by which support for operating purposes of public library service would be decreased if the reduction in support were in direct proportion to the local government aid reduction as a percentage of the previous calendar year's revenue base as defined in section 477A.011, subdivision 27. Determination of a grant under paragraph (b) shall be based on the most recent calendar year for which data are available.

(c) In 1997, the city or county maintains the dollar amount provided by it for operating purposes of public library service at least at the same dollar amount it provided in 1996.

The city or county shall file a report with the department of education indicating the dollar amount and percentage of reduction in public library operating funds.

Sec. 3. Minnesota Statutes 1994, section 254B.02, subdivision 3, is amended to read:

Subd. 3. [RESERVE ACCOUNT.] The commissioner shall allocate money from the reserve account to counties that, during the current fiscal year, have met or exceeded the base level of expenditures for eligible chemical dependency services from local money. ~~The commissioner shall establish the base level for fiscal year 1988 as the amount of local money used for eligible services in calendar year 1986. In later years, the base level must be increased in the same proportion as state appropriations to implement Laws 1986, chapter 394, sections 8 to 20, are increased. The base level must be decreased if the fund balance from which allocations are made under section 254B.02, subdivision 1, is decreased in later years. The base level of expenditures for each county is defined as 15 percent of the funds allocated to the county under subdivisions 1 and 2. The local match rate for the reserve account is the same rate as applied to the initial allocation. Reserve account payments must not be included when calculating the county adjustments made according to subdivision 2.~~

Sec. 4. Minnesota Statutes 1994, section 256H.09, subdivision 3, is amended to read:

Subd. 3. [CHILD CARE FUND PLAN.] Effective January 1, 1992, the county will include the plan required under this subdivision in its biennial community social services plan required in this section, for the group described in section 256E.03, subdivision 2, paragraph (h). For the period July 1, 1989, to December 31, 1991, the county shall submit separate child care fund plans required under this subdivision for the periods July 1, 1989, to June 30, 1990; and July 1, 1990, to December 31, 1991. The commissioner shall establish the dates by which the county must submit these plans. The county and designated administering agency shall submit to the commissioner an annual child care fund allocation plan. The plan shall include:

(1) a narrative of the total program for child care services, including all policies and procedures that affect eligible families and are used to administer the child care funds;

(2) the number of families that requested a child care subsidy in the previous year, the number of families receiving child care assistance, the number of families on a waiting list, and the number of families projected to be served during the fiscal year;

(3) the methods used by the county to inform eligible groups of the availability of child care assistance and related services;

(4) the provider rates paid for all children by provider type;

(5) the county prioritization policy for all eligible groups under the basic sliding fee program and AFDC child care program;

(6) a report of all funds available to be used for child care assistance, ~~including demonstration of compliance with the maintenance of funding effort required under section 256H.12;~~ and

(7) other information as requested by the department to ensure compliance with the child care fund statutes and rules promulgated by the commissioner.

The commissioner shall notify counties within 60 days of the date the plan is submitted whether the plan is approved or the corrections or information needed to approve the plan. The commissioner shall withhold a county's allocation until it has an approved plan. Plans not approved by the end of the second quarter after the plan is due may result in a 25 percent reduction in allocation. Plans not approved by the end of the third quarter after the plan is due may result in a 100 percent reduction in the allocation to the county. Counties are to maintain services despite any reduction in their allocation due to plans not being approved.

Sec. 5. Minnesota Statutes 1994, section 279.09, is amended to read:

279.09 [PUBLICATION OF NOTICE AND LIST.]

The county auditor shall cause the notice and list of delinquent real property to be published ~~once in each of two consecutive weeks~~ in the newspaper designated, the first publication of which shall be made on or before March 20 immediately following the filing of such list with the court administrator of the district court. The auditor shall deliver such list to the publisher of the newspaper designated, at least 20 days before the date upon which the list shall be published ~~for the first time~~.

Sec. 6. Minnesota Statutes 1994, section 279.10, is amended to read:

279.10 [PUBLICATION CORRECTED.]

Immediately after preparing forms for printing such notice and list, and at least five days before the first day for the publication thereof, every such publisher shall furnish proof of the proposed publication to the county auditor for correction. When such copy has been corrected, the auditor shall return the same to the printer, who shall publish it as corrected. On the first day on which such notice and list are published, the publisher shall mail a copy of the newspaper containing the same to the auditor. If during the publication of the notice and list, or within ten days after the last publication thereof, the auditor shall discover that such publication is invalid, the auditor shall forthwith direct the publisher to republish the same as corrected ~~for an additional period of two weeks~~. The publisher, if not neglectful, shall be entitled to the same compensation as allowed by law for the original publication, but shall receive no further compensation therefor if such republication is necessary by reason of the neglect of the publisher.

Sec. 7. Minnesota Statutes 1994, section 281.23, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION.] As soon as practicable after the posting of the notice prescribed in subdivision 2, the county auditor shall cause to be published ~~for two successive weeks~~, in the official newspaper of the county, the notice prescribed by subdivision 2.

Sec. 8. Minnesota Statutes 1994, section 375.169, is amended to read:

375.169 [PUBLICATION OF SUMMARY BUDGET STATEMENT.]

Annually, upon adoption of the county budget, the county board shall cause a summary budget statement to be published in one of the following:

(1) the official newspaper of the county, or if there is none, in a qualified newspaper of general circulation in the county; or

(2) for a county in the metropolitan area as defined in section 473.121, subdivision 2, a county newsletter or other county mailing sent to all households in the city, or as an insert with the truth-in-taxation notice under section 275.065.

If the summary budget statement is published in a county newsletter, it must be the lead story. If the summary budget statement is published through a county newsletter or other county mailing, a copy of the newsletter or mailing shall be sent on request to any nonresident. If the summary budget statement is published by a mailing to households other than a newsletter, the color of the paper on which the summary budget statement is printed must be distinctively different than the paper containing other printed material included in the mailing. The statement shall contain information relating to anticipated revenues and expenditures in a form prescribed by the state auditor. The form prescribed shall be designed so that comparisons can be made between the current year and the budget year. A note shall be included that the complete budget is available for public inspection at a designated location within the county.

Sec. 9. [EDUCATION FINANCE FOR THE 1997-1998 SCHOOL YEAR.]

Subdivision 1. [ADJUSTED TAX CAPACITY FOR SCHOOL YEAR 1997-1998.] Notwithstanding any other law to the contrary, for purposes of any levy authorized under Minnesota Statutes, chapter 124, 124A, 124B, 136C, or 136D, the adjusted net tax capacity of a school district, education district, or intermediate school district under Minnesota Statutes, section 124.2131, for the 1997-1998 school year shall equal the adjusted net tax capacity used for computation of its levy limits for the 1996-1997 school year.

Subd. 2. [LOCAL EFFORT TAX RATE AND EQUALIZING FACTOR.] Notwithstanding any other law to the contrary, the local effort tax rates computed under Minnesota Statutes, section 124A.23, for the 1997-1998 school year shall equal the local effort tax rates established at the time of levy limit certification for the 1996-1997 school year. Notwithstanding any other law to the contrary, the equalizing factor under Minnesota Statutes, section 124A.02, for the 1997-1998 school year shall equal the equalizing factor for the 1996-1997 school year.

Subd. 3. [COMPUTATION OF PUPIL UNITS FOR LEVY LIMITS.] Notwithstanding Minnesota Statutes, section 124.17, or any other law to the contrary, the number of pupil units and AFDC pupil units for a school district, education district, or intermediate school district for use in computing the levy limits of the district or technical college for the 1997-1998 school year shall be the pupil units and AFDC pupil units used for the levy limit computation of the school district, education district, intermediate school district, or technical college for the 1996-1997 school year. For purposes of computing the revenue entitlement of a school district under Minnesota Statutes, chapter 124, 124A, 124B, or 136D, for the 1997-1998 school year, the pupil units or AFDC pupil units shall be as otherwise provided under Minnesota Statutes, section 124.17. If any section of Minnesota Statutes, chapters 124, 124A, and 124B, provides that an aid entitlement is equal to the difference between the revenue entitlement and the authorized levy, then the aid entitlement for the 1997-1998 school year shall equal the difference between the revenue entitlement and authorized levies computed under this section and sections 9 to 55. If any section of Minnesota Statutes, chapters 124, 124A, and 124B, other than sections 124.321 and 124.912, subdivision 2, provide that the aid entitlement will be reduced if a district fails to exercise its full levy authority and the district failed to levy its full authority for the 1996-1997 school year, the commissioner shall assume that, absent the provisions of this act, the district would have elected to exercise the same portion of its levy authority for the 1997-1998 school year as it did in the prior year and determine the district's aid under the applicable section and the prior sentence.

Sec. 10. [TRANSITIONAL LEVIES.]

Notwithstanding Minnesota Statutes, sections 122.247, subdivision 3, and 122.533, a school district's levy under those sections for taxes payable in 1997 shall be no greater than it was for the prior year.

Sec. 11. [BONDS.]

(a) Notwithstanding Minnesota Statutes, section 124.239, after July 31, 1996, no school district can sell bonds under that section the debt service payments of which would require a levy first becoming payable in 1997 or authorize a levy under Minnesota Statutes, section 124.239, subdivision 5, clause (b), that is not pursuant to a plan adopted prior to August 1, 1996. This restriction shall not apply to (1) refunding bonds sold to refund bonds originally sold before August 1, 1996, or (2) bonds for which the amount of the levy first becoming due in 1997 would not exceed the amount by which the school district's total levy for debt service on bonds for taxes payable in 1997 prior to issuance of those bonds is less than the municipality's total levy for debt service for bonds for taxes payable in 1996.

(b) For purposes of this section, bonds will be deemed to have been sold before August 1, 1996, if:

(1) an agreement has been entered into between the school district and a purchaser or underwriter for the sale of the bonds by that date;

(2) the issuing school district is a party to a contract or letter of understanding entered into before August 1, 1996, with the federal government that requires the school district to pay for a project, and the project will be funded with the proceeds of the bonds; or

(3) the proceeds of the bonds will be used to fund a project or acquisition with respect to which the school district has entered into a contract with a builder or supplier before August 1. Debt service payments due on bonds described in this paragraph during calendar year 1997 will be paid by the state. The amount of those payments must be repaid by the school district to the state in three equal annual installments beginning in 1998. No interest will be due on those payments if timely paid by June 15 of the year due.

Sec. 12. [TARGETED NEEDS LEVY.]

Notwithstanding Minnesota Statutes, section 124.314 a school district's targeted needs levy for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 13. [LEVY FOR ADULT BASIC EDUCATION AID.]

Notwithstanding Minnesota Statutes, section 124.2601, school districts which did not levy for adult basic education for taxes payable in 1996, may not levy for that purpose for taxes payable in 1997.

Sec. 14. [EARLY CHILDHOOD FAMILY EDUCATION AND HOME VISITATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.2711, subdivisions 2a and 5, a school district's levy for early childhood family education and home visitation under Minnesota Statutes, section 124.2711, subdivision 5, for school year 1997-1998 shall be no greater than it was for the prior year.

Sec. 15. [COMMUNITY EDUCATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.2713, subdivision 6, 6a, or 6b, the community education levy of a school district for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 16. [LEVY FOR ADDITIONAL COMMUNITY EDUCATION REVENUE.]

Notwithstanding Minnesota Statutes, section 124.2714, a school district's levy under that section for school year 1997-1998 shall be no greater than it was for the prior year.

Sec. 17. [PROGRAMS FOR ADULTS WITH DISABILITIES; LEVY.]

Notwithstanding Minnesota Statutes, section 124.2715, subdivision 3, a school district's levy for community education programs for adults with disabilities for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 18. [EXTENDED DAY LEVY.]

Notwithstanding Minnesota Statutes, section 124.2716, a school district's levy under that section for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 19. [COOPERATION AND COMBINATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.2725, subdivisions 3 and 4, a school district's levy for cooperation and combination for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 20. [EARLY RETIREMENT AND SEVERANCE LEVY.]

Notwithstanding Minnesota Statutes, section 124.2725, subdivision 15, a school district's levy for the 1997-1998 school year for severance pay or early retirement incentives for licensed and nonlicensed staff who retire early as the result of combination or cooperation shall be no greater than it was for the prior year.

Sec. 21. [CONSOLIDATION; RETIREMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124.2726, subdivision 3, a school district's levy for retirement incentives under Minnesota Statutes, section 122.23, subdivision 20, for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 22. [DISTRICT COOPERATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.2727, subdivisions 6b and 9, a school district's levy for district cooperation for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 23. [SPECIAL EDUCATION EQUALIZATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.321, subdivisions 3 and 5, a school district's special education equalization levy for the 1997-1998 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 124.321, subdivisions 3 and 5, the district shall receive additional aid equal to the difference.

Sec. 24. [ALTERNATIVE DELIVERY LEVY.]

Notwithstanding Minnesota Statutes, section 124.322, subdivision 4, a school district's levy for alternative delivery of specialized instructional services for the 1997-1998 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 124.322, subdivision 4, the district shall receive additional aid equal to the difference.

Sec. 25. [JOINT POWERS BOARD; EARLY RETIREMENT AND SEVERANCE LEVY.]

Notwithstanding Minnesota Statutes, section 124.4945, a school district's levy for the 1997-1998 school year for severance pay and early retirement incentives to a teacher as defined in Minnesota Statutes, section 125.12, subdivision 1, who is placed on unrequested leave as the result of a cooperative secondary facility agreement shall be no greater than it was for the prior year.

Sec. 26. [FACILITIES DOWN PAYMENT LEVY REFERENDUM.]

Notwithstanding Minnesota Statutes, section 124.82, subdivision 3, no facilities down payment levy referendum held after August 1, 1996, may authorize a levy first becoming payable in 1997.

Sec. 27. [HEALTH AND SAFETY LEVY.]

Notwithstanding Minnesota Statutes, section 124.83, subdivisions 4 and 7, a school district's levy for a health and safety program under Minnesota Statutes, section 124.83, for the 1997-1998 school year shall be no greater than it was for the prior year. If the resulting levy is less than the

school district would have levied under Minnesota Statutes, section 124.83, subdivisions 4 and 7, the district shall receive additional aid equal to the difference.

Sec. 28. [HANDICAPPED ACCESS AND FIRE SAFETY LEVY.]

Notwithstanding Minnesota Statutes, section 124.84, subdivisions 3 and 4, a school district's levy for purposes of Minnesota Statutes, section 124.84, subdivisions 1 and 2, for the 1997-1998 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 124.84, subdivision 3, the district may levy the difference in the subsequent year notwithstanding the five-year limitation in section 124.84, subdivision 3.

Sec. 29. [LEVY TO RENT OR LEASE BUILDING OR LAND.]

Notwithstanding Minnesota Statutes, section 124.91, subdivision 1, after August 1, 1996, the commissioner of education shall not authorize any school district to make any additional capital expenditure levy to rent or lease a building or land for instructional purposes if the levy for that purpose first becomes due and payable in 1997 unless the district's capital expenditure levy for taxes payable in 1997, including the levy for the new obligation, would not exceed its levy for that purpose for taxes payable in 1996.

Sec. 30. [LEVY FOR LEASE PURCHASE OR INSTALLMENT BUYS.]

(a) Except as provided in paragraph (b), notwithstanding Minnesota Statutes, section 124.91, subdivision 3, after July 31, 1996, no school district may enter into an installment contract or a lease purchase agreement the levy for which would first become payable in 1997 unless the district's total levy for installment contracts and lease purchase agreements for taxes payable in 1997, including the levy for the new obligation, would not exceed its levy for that purpose for taxes payable in 1996.

(b) For purposes of this section, installment contracts or lease purchase agreements will be deemed to have been entered into before August 1, 1996, if:

(1) an agreement has been entered into between the school district and a lessor or seller by that date;

(2) the school district is a party to contract or letter of understanding entered into before August 1, 1996, with the federal government that requires the school district to pay for a project, and the project will be funded with the proceeds of the installment contracts or lease purchase agreements;
or

(3) the installment contracts or lease purchase agreements will be used to fund a project or acquisition with respect to which the school district has entered into a contract with a builder or supplier before August 1. Payments due on installment contracts or lease purchase agreements described in this paragraph during calendar year 1996 will be paid by the state. The amount of those payments must be repaid by the school district to the state in three equal annual installments beginning in 1998. No interest will be due on those payments if timely paid by June 15 of the year due.

Sec. 31. [COOPERATING DISTRICTS; CAPITAL LEVY.]

Notwithstanding Minnesota Statutes, section 124.91, subdivision 4, a school district's levy under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year.

Sec. 32. [LEVY FOR INTERACTIVE TELEVISION.]

Notwithstanding Minnesota Statutes, section 124.91, subdivision 5, a school district's levy for interactive television for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 33. [ENERGY CONSERVATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.91, subdivision 6, a school district may not enter into a loan under Minnesota Statutes, sections 216C.37 or 298.292 to 298.298 after March 27, 1996, if the levy for repayment of the loan would first become payable in 1997.

Sec. 34. [LEVY FOR STATUTORY OBLIGATIONS.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 1, a school district's levy as otherwise authorized under that subdivision for the 1997-1998 school year shall be no greater than it was for the prior year. To the extent that the portion of the resulting levy for the school district's obligation under Minnesota Statutes, section 268.06, subdivision 25, and section 268.08, is less than the school district would have been otherwise authorized to levy under Minnesota Statutes, section 124.912, subdivision 1, the school district shall receive additional aid equal to the difference. To the extent that the portion of the resulting levy for judgments under Minnesota Statutes, section 127.05, is less than the school district would have been authorized to levy under Minnesota Statutes, section 124.912, subdivision 1, for this purpose, the school district may levy the difference in the subsequent year.

Sec. 35. [DESEGREGATION LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 2, a school district's levy as otherwise authorized under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 36. [RULE COMPLIANCE LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 3, a school district's levy as otherwise authorized under that subdivision for the 1996-1997 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 37. [LEVY FOR CRIME RELATED COSTS.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 6, a school district's levy as otherwise authorized under that subdivision for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 38. [ICE ARENA LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 7, a school district's levy as otherwise authorized under that subdivision for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 39. [ABATEMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124.912, subdivision 9, a school district's levy as otherwise authorized under that subdivision for the 1997-1998 school year shall be no greater than it was for the prior year. To the extent the portion of the resulting levy otherwise authorized under Minnesota Statutes, section 124.912, subdivision 9, paragraph (a), clause (1), is less than the school district would have been authorized to levy under that clause, the district shall receive additional aid equal to the difference. The remaining portion of the resulting levy that is less than the school district would have been authorized to levy under the remainder of Minnesota Statutes, section 124.912, subdivision 9, may be levied over a four-year period notwithstanding the three-year limitation of Minnesota Statutes, section 124.912, subdivision 9, paragraph (b).

Sec. 40. [OPERATING DEBT LEVIES.]

Notwithstanding Minnesota Statutes, section 122.531, subdivision 4a; 124.914; or Laws 1992, chapter 499, article 7, sections 13 and 14, a school district's levy as otherwise authorized under those sections for the 1997-1998 school year shall be no greater than it was for the prior year. To the extent this prevents a district from amortizing its reorganization operating debt as defined in Minnesota Statutes, section 121.915, clause (1), in five years, the district shall be permitted to levy the remainder in a subsequent year.

Sec. 41. [HEALTH INSURANCE BENEFITS LEVY.]

Notwithstanding Minnesota Statutes, section 124.916, subdivision 1, or Laws 1993, chapter 224, article 8, section 18, a school district's levy for retired employees health insurance as otherwise authorized under those provisions of law for the taxes payable in 1997 shall be no greater than it was for the prior year.

Sec. 42. [RETIREMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124.916, subdivision 3, a school district's levy as otherwise authorized under that subdivision for taxes payable in 1997 shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have been authorized to levy under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 43. [MINNEAPOLIS HEALTH INSURANCE SUBSIDY.]

Notwithstanding Minnesota Statutes, section 124.916, subdivision 4, a school district's levy as otherwise authorized under that section for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 44. [LEVY FOR TACONITE PAYMENT.]

Notwithstanding Minnesota Statutes, section 124.918, subdivision 8, a school district's levy reduction as otherwise authorized under that subdivision for the 1997-1998 school year shall be no less than it was for the prior year. General education aid reduction for the 1997-1998 school year shall be governed by Minnesota Statutes, section 124A.035, subdivision 5, and the levy reduction as dictated by this section.

Sec. 45. [EQUALIZED DEBT SERVICE LEVY.]

Notwithstanding Minnesota Statutes, section 124.95, subdivision 4, a school district's levy as otherwise authorized under that subdivision for the 1997-1998 school year taxes payable in 1997 shall be based on the actual pupil units in the district for the 1993-1994 school year and the 1994 adjusted net tax of the district.

Sec. 46. [UNEQUALIZED REFERENDUM LEVY.]

Notwithstanding Minnesota Statutes, section 124A.03, subdivision 1i, a school district's unequalized referendum levy for the 1997-1998 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 47. [REFERENDUM LEVY.]

(a) Except as provided in paragraph (b), notwithstanding Minnesota Statutes, section 124A.03, subdivision 2 or 2b, or 124B.03, subdivision 2, no referendum conducted after August 1, 1996, under those sections may authorize a levy first becoming payable in 1997.

(b) A referendum may authorize such a levy if the referendum provides for continuation of a referendum levy that terminates beginning with taxes payable in 1997. If the terminated levy had been based on net tax capacity, the referendum relating to taxes payable in 1997 must be based on net tax capacity and the ballot shall state the estimated referendum tax rate based on net tax capacity for taxes levied in 1996, notwithstanding Minnesota Statutes, section 124A.03, subdivisions 2 and 2a. To the extent the referendum relates to taxes payable in 1998 and subsequent years, the levies for those years are subject to Minnesota Statutes, sections 124A.03, subdivision 2a, and 124A.0311, subdivision 3, and the ballot shall also state the estimated referendum tax rate as a percentage of market value for taxes levied in 1998.

Sec. 48. [REFERENDUM AUTHORITY; CONVERSION.]

Notwithstanding Minnesota Statutes, section 124A.0311, subdivisions 2 and 3, no school

district may convert its referendum authority currently authorized to be levied against net tax capacity to referendum authority authorized to be levied against referendum market value effective for taxes payable in 1997.

Sec. 49. [SUPPLEMENTAL AND TRANSITION LEVIES.]

Notwithstanding Minnesota Statutes, section 124A.22, subdivisions 8a and 13a, a school district's supplemental levy or transition levy adjustment for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 50. [GENERAL EDUCATION LEVY; OFF-FORMULA DISTRICTS.]

Notwithstanding Minnesota Statutes, section 124A.23, subdivision 3, an off-formula school district's levy for general education for the 1997-1998 school year shall be no greater than it was for the prior year. An off-formula school district's aid reduction for general education levy equity under Minnesota Statutes, section 124A.24, shall be computed using the levy computed under this section. If an off-formula district payments pursuant to Minnesota Statutes, section 124A.035, subdivision 4, are reduced from that received in the prior school year, the district shall receive additional aid equal to the difference.

Sec. 51. [LEVY REDUCTION.]

Notwithstanding Minnesota Statutes, section 124A.26, subdivision 2, a district's levy reduction for the 1997-1998 school year under that subdivision shall be no less than it was in the prior year. To the extent that the resulting reduction is greater than the school district would have otherwise received under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 52. [STAFF DEVELOPMENT LEVY.]

Notwithstanding Minnesota Statutes, section 124A.292, subdivision 3, a school district's levy for staff development for the 1997-1998 school year shall be no greater than it was for the prior year.

Sec. 53. [SCHOOL RESTRUCTURING LEVIES.]

Notwithstanding Minnesota Statutes, section 126.019, a school district's levy under that section for taxes payable in 1997 shall be no greater than it was in the prior year. To the extent the resulting levy is less than the district would have otherwise been authorized to levy under that section, the district shall receive additional aid equal to the difference.

Sec. 54. [LEVY ADJUSTMENT.]

Notwithstanding any other law to the contrary, any adjustment of a school district's levy authority other than for debt redemption fund excesses under Minnesota Statutes, section 475.61, for taxes payable in 1997 shall not result in a levy that is greater than it was in 1996. If the resulting levy adjustments reduce the district's revenues below that which the district would have otherwise received in the absence of this section, the district will receive additional aid equal to the difference.

Sec. 55. [OTHER LEVY AUTHORITY.]

A school district's levy under any special law or any authority other than that contained in Minnesota Statutes, chapters 124, 124A, and 136D, shall not be greater for taxes payable in 1997 than it was for taxes payable in 1996 except for any debt service on obligations, certificates of indebtedness, capital notes, or other debt instruments issued prior to March 30, 1996, or to make payments on installment purchase contracts or lease purchase agreements entered into prior to March 30, 1996.

Sec. 56. [BENEFIT RATIO FOR RURAL SERVICE DISTRICTS.]

Notwithstanding Minnesota Statutes, section 272.67, subdivision 6, the benefit ratio used for

apportioning levies to a rural service district for taxes payable in 1997 shall not be greater than that in effect for taxes payable in 1996.

Sec. 57. [PROHIBITION AGAINST INCURRING NEW DEBT.]

Subdivision 1. [GENERALLY.] (a) After July 31, 1996, no municipality as defined in Minnesota Statutes, section 475.51, or any special taxing district as defined under Minnesota Statutes, section 275.066, may sell obligations, certificates of indebtedness, or capital notes under Minnesota Statutes, chapter 475, section 412.301, or any other law authorizing obligations, certificates of indebtedness, capital notes, or other debt instruments or enter into installment purchase contracts or lease purchase agreements under Minnesota Statutes, section 465.71, or any other law authorizing installment purchase contracts or lease purchase agreements if issuing those debt instruments or entering into those contracts would require a levy first becoming due in 1997. This restriction does not apply to (1) refunding bonds sold to refund bonds originally sold before August 1, 1996, or (2) obligations for which the amount of the levy first becoming due in 1997 would not exceed the amount by which the municipality's total debt service levy for taxes payable in 1997 prior to issuance of those obligations is less than the municipality's total debt service levy for taxes payable in 1996. As used in clause (2), "obligations" includes certificates of indebtedness, capital notes, or other debt instruments or installment purchase contracts or lease purchase agreements.

(b) For purposes of this section, bonds will be deemed to have been sold before August 1, 1996, if:

(1) an agreement has been entered into between the municipality and a purchaser or underwriter for the sale of the bonds by that date;

(2) the issuing municipality is a party to contract or letter of understanding entered into before August 1, 1996, with the federal government or the state government that requires the municipality to pay for a project, and the project will be funded with the proceeds of the bonds; or

(3) the proceeds of the bonds will be used to fund a project or acquisition with respect to which the municipality has entered into a contract with a builder or supplier before August 1. Debt service payments due on bonds described in this paragraph during calendar year 1997 will be paid by the state. The amount of those payments must be repaid by the municipality to the state in three equal annual installments beginning in 1998. No interest will be due on those payments if timely paid by June 15 of the year due.

Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, certificates of indebtedness, capital notes, installment purchase contracts, lease purchase agreements or any other debt instruments, and the debt service levies for the obligations shall, for purposes of this act, be treated as if sold prior to August 1, 1996, if:

(a) The municipality or other governmental authority has satisfied any one of the following conditions prior to August 1, 1996:

(1) it has adopted a resolution or ordinance authorizing the issuance of the obligations;

(2) it has declared official intent to issue the obligations under federal tax laws and regulations;
or

(3) it has entered into a binding agreement to design or construct a project or acquire property to be financed with the obligations; and

(b) The municipality makes a finding at the time of the sale of the bonds that no levy will be required for taxes payable in 1997 to pay the debt service on the obligations because sufficient funds are available from nonproperty tax sources to pay the debt service.

Sec. 58. [ASSESSMENT LIMITATIONS.]

Subdivision 1. [1996 ASSESSMENT.] Notwithstanding Minnesota Statutes, section 273.11, or any other law to the contrary, the value of property for the 1996 assessment shall not exceed the

lesser of its limited market value determined for the 1995 assessment pursuant to Minnesota Statutes, section 273.11, subdivision 1a, or its market value as otherwise determined for the 1995 assessment provided that any value attributable to new construction or improvements to the extent it does not qualify for deferral under Minnesota Statutes, section 273.11, subdivision 16, shall be added to the prior year's value used to determine its tax capacity. It is further provided that previously tax exempt property that loses its tax exempt status pursuant to Minnesota Statutes, section 272.02, subdivision 4, shall not have its assessment limited in any way under this subdivision.

Subd. 2. [1997 ASSESSMENT.] The provisions of Minnesota Statutes, section 273.11, subdivision 1a, shall govern in determining the value of property classified as agricultural homestead or nonhomestead, residential homestead or nonhomestead, or noncommercial seasonal residential for the 1997 assessment provided that "five percent" shall be substituted for "ten percent" in that section.

Sec. 59. [LEVY LIMITATION TAXES PAYABLE IN 1997.]

Subdivision 1. [TAXES PAYABLE IN 1997 PROPOSED LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.065, subdivision 1, in 1996, no taxing authority other than a school district shall certify to the county auditor a proposed property tax levy or in the case of a township, a final property tax levy, greater than the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year except as provided in subdivisions 3, 4, and 5.

Subd. 2. [TAXES PAYABLE IN 1996 FINAL LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.07, subdivision 1, in 1996, no taxing authority other than a school district shall certify to the county auditor a property tax levy greater than the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year except as provided in subdivisions 4 to 6.

Subd. 3. [SCHOOL DISTRICTS.] School district levies shall be governed by sections 10 to 55.

Subd. 4. [DEBT SERVICE EXCEPTION.] If a payable 1997 levy for debt service on obligations, certificates of indebtedness, capital notes, or other debt instruments sold prior to August 1, 1996, or to make payments on installment purchase contracts or lease purchase agreements entered into prior to August 1, 1996, exceeds the levy a taxing authority certified pursuant to Minnesota Statutes, section 275.07, subdivision 1, for taxes payable in 1996 for the same purpose, the excess may be levied notwithstanding the limitations of subdivisions 1 and 2.

Subd. 5. [ANNEXATION EXCEPTION.] The city tax rate for taxes payable in 1997 on any property annexed under chapter 414 may not be increased over the city or township tax rate in effect on the property in 1996, notwithstanding any law, municipal board order, or ordinance to the contrary. The limit on the annexing city's levy under subdivisions 1 and 2 may be increased in excess of that limit by an amount equal to the net tax capacity of the property annexed times the city or township tax rate in effect on that property for taxes payable in 1996. The levy limit of the city or township from which the property was annexed shall be reduced by the same amount.

Subd. 6. [INCREASE AUTHORIZED.] Notwithstanding the limitation of subdivision 1, a taxing authority other than a school district may increase its levy for taxes payable in 1996 over that certified to the county pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year by an amount equal to the taxing authority's net tax capacity pursuant to section 58, subdivision 1, times its tax rate for taxes payable in 1996 less the taxing authority's levy under subdivision 1.

Sec. 60. [FREEZE ON LOCAL MATCH REQUIREMENTS.]

Notwithstanding any other law to the contrary, the local funding or local match required from any city, town, or county for any state grant or program shall not be increased for calendar year 1997 above the dollar amount of the local funding or local match required for the same grant or program in 1996, regardless of the level of state funding provided; and any new local match or

local funding requirements for new or amended state grants or programs shall not be effective until calendar year 1998. Nothing in this section shall affect the eligibility of a city, town, or county, for the receipt of state grants or program funds in 1997 or reduce the amount of state funding a city, town, or county would otherwise receive in 1997 if the local match requirements of the state grant or program were met in 1996.

Sec. 61. [SUSPENSION OF SALARY AND BUDGET APPEAL AUTHORIZATION.]

After March 11, 1996, no county sheriff may exercise the authority granted under Minnesota Statutes, section 387.20, subdivision 7, and no county attorney may exercise the authority granted under Minnesota Statutes, section 388.18, subdivision 6, to the extent that the salary or budget increase sought in the appeal would result in an increase in county expenditures in calendar year 1997.

Sec. 62. [SUSPENSION OF PUBLICATION AND HEARING REQUIREMENTS.]

A local taxing authority is not required to comply with the public advertisement notice of Minnesota Statutes, section 275.065, subdivision 5a, or the public hearing requirement of Minnesota Statutes, section 275.065, subdivision 6, with respect to taxes levied in 1996, payable in 1997, only.

Sec. 63. [LEVY LIMITATION TAXES PAYABLE IN 1998.]

Subdivision 1. [DEFINITION.] The "percentage increase in the implicit price deflator" means the percentage change in the implicit price deflator for state and local governments purchases of goods and services as calculated in Minnesota Statutes, section 477A.03, subdivision 3, provided that the 2.5 percent and five percent limits do not apply and that the increase can not be less than zero percent.

Subd. 2. [TAXES PAYABLE IN 1998 PROPOSED LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.065, subdivision 1, in 1997, no taxing authority other than a school district or a joint vocational technical district shall certify to the county auditor a proposed property tax levy or in the case of a township, a final property tax levy, that is greater than the product of:

(1) the sum of one plus the lesser of (i) three percent, or (ii) the percentage increase in the implicit price deflator; and

(2) the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year, except as provided in subdivisions 4 and 5.

Subd. 3. [TAXES PAYABLE IN 1998 FINAL LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.07, subdivision 1, in 1997, no taxing authority other than a school district or a joint vocational technical district shall certify to the county auditor a property tax levy that is greater than the product of:

(1) the sum of one plus the lesser of (i) three percent, or (ii) the percentage increase in the implicit price deflator; and

(2) the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year, except as provided in subdivisions 4, 5, and 6.

Subd. 4. [REFERENDA.] (a) A taxing authority other than a school district or an education district may increase its levy above the limits provided in subdivisions 2 and 3, by the amount approved by the voters residing in the jurisdiction of the authority at a referendum called for the purpose. The referendum may be called by the governing body or shall be called by the governing body upon written petition of qualified voters of the jurisdiction. The referendum shall be conducted during the calendar year before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. The referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy and the estimated referendum tax rate as a percentage of

taxable net tax capacity in the year it is to be levied. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the levy proposed by (petition to) the governing body of, be approved?"

(b) The governing body shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the referendum to each taxpayer a notice of the referendum and the proposed levy increase. The governing body need not mail more than once notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the jurisdiction of the taxing authority.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes."

(c) A petition authorized by paragraph (a) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the jurisdiction of the taxing authority on the day the petition is filed with the governing body. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(d) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(e) A bond authorization under Minnesota Statutes, section 475.59, shall be deemed to meet the requirements of this subdivision provided the ballot includes the information required in paragraph (a) and the notice required in paragraph (b) is distributed.

Subd. 5. [DEBT SERVICE EXCEPTION.] If a payable 1998 levy for debt service on obligations, certificates of indebtedness, capital notes, or other debt instruments sold prior to August 1, 1996, or to make payments on installment purchase contracts or lease purchase agreements entered into prior to August 1, 1996, exceeds the levy a taxing authority certified pursuant to Minnesota Statutes, section 275.07, subdivision 1, for taxes payable in 1997 for the same purpose, or a payable 1998 levy for general obligations exceeds any payable 1998 levy required as a condition for the issuance of such general obligations, the excess may be levied notwithstanding the limitations of subdivisions 2 and 3.

Subd. 6. [LEVY OF TOWN BEING MERGED INTO CITY.] If a town has entered into an agreement to merge with a home rule charter or statutory city, and the merger has been approved by a referendum, the town's levy for taxes payable in 1998 shall not exceed the greater of (1) the amount determined under subdivisions 1 to 5, or (2) the amount established as a term of the merger agreement with the city.

Sec. 64. [FISCAL DISPARITIES FREEZE.]

Notwithstanding Minnesota Statutes, section 473F.08, subdivision 2, clause (a), the amount to be deducted from a governmental unit's net tax capacity for taxes payable in 1997 under that clause shall equal the amount deducted for taxes payable in 1996. Notwithstanding Minnesota Statutes, section 473F.08, subdivision 2, clause (b), the amount to be added to a governmental unit's net tax capacity for taxes payable in 1997 under that clause shall equal the same amount added for taxes payable in 1996. Notwithstanding Minnesota Statutes, section 473F.08, subdivision 3, the areawide portion of the levy for each governmental unit shall be determined using the local tax rate for the 1994 levy year. Notwithstanding Minnesota Statutes, section 473F.08, subdivision 6, the portion of commercial-industrial property within a municipality subject to the areawide tax rate shall be computed using the amount determined under Minnesota Statutes, sections 473F.06 and 473F.07, for taxes payable in 1996.

Sec. 65. [TAX RATE FREEZE.]

Subdivision 1. [REDUCTION OF LEVY; PAYMENT.] If in the course of determining local tax rates for taxes payable in 1997 after reductions for disparity reduction aid under Minnesota Statutes, section 275.08, subdivisions 1c and 1d, the county auditor finds the local tax rate exceeds that in effect for taxes payable in 1996, the county auditor shall reduce the local government's levy so the local tax rate does not exceed that in effect for taxes payable in 1996. The difference between the levy as originally certified by the local government and the reduced levy shall be certified to the commissioner of revenue at the time the abstracts are submitted under Minnesota Statutes, section 275.29. That amount shall be paid to the local government on or before August 31.

Subd. 2. [APPROPRIATION.] An amount sufficient to pay the aid provided for under this section is appropriated from the general fund to the commissioner of revenue for payment to counties, cities, townships, and special taxing districts. An amount sufficient to pay the aid provided for under this section is appropriated from the general fund to the commissioner of education for payment to school districts.

Sec. 66. [PENSION LIABILITIES.]

Notwithstanding any other law or charter provision to the contrary, no levy for taxes payable in 1997 for a local police and fire relief association for the purpose of amortizing an unfunded pension liability may exceed the levy for that purpose for taxes payable in 1996.

Sec. 67. [DUTIES OF TOWNSHIP BOARD OF SUPERVISORS.]

Notwithstanding Minnesota Statutes, section 365.10, in 1996 the township board of supervisors shall adjust the levy and in 1997 the township board of supervisors may adjust the expenditures of a township below the level authorized by the electors to adjust for any reduction in the previously authorized levy of the township pursuant to section 59.

Sec. 68. [PROPERTY TAX AND EDUCATION AIDS REFORM.]

Subdivision 1. [RECOMMENDED PROGRAM.] The legislative commission on planning and fiscal policy shall prepare and recommend to the legislature a property tax reform and education aids reform program that includes:

- (1) a property tax classification and class rate system;
- (2) elementary and secondary education aids and levies; and
- (3) aids to local government.

Subd. 2. [STANDARDS.] (a) The recommended program must provide for accountability, equity, revenue adequacy, and efficiency as provided in paragraphs (b) to (e).

(b) The recommended program must provide accountability by being understandable to the taxpayer, by linking the costs of services to the taxes paid for those services, and by correlating the responsibility for raising revenues with the ability to make spending decisions.

(c) The recommended program must provide equity by minimizing large, short-term shifts in tax burdens, and by ensuring that tax burdens and aids are progressive and related to the ability to pay or raise revenue.

(d) The recommended program must provide for adequate revenue by controlling costs and the need for increased revenue, minimizing reductions or shifts in revenues available to local governments to provide needed services, and directing aids to meet needs and fund services based on established funding priorities.

(e) The program must promote efficiency by providing stable predictable property taxes and local government revenues that are competitive with those of other states and areas so that property taxes and aids have minimal impact on the economic decisions of taxpayers.

Subd. 3. [TASK FORCE.] The commission may designate a task force to advise the commission in carrying out its duties under this section. The task force may include legislators, agency and legislative staff, state and local governmental officials, educators, and taxpayers and members of the public. The task force expires on January 1, 1998.

Subd. 4. [SERVICES.] The commission may enter into contracts for the professional and other services necessary to carry out its duties under this section.

Subd. 5. [REPORT.] The commission shall report its recommendations to the legislature on or before January 1, 1998. The report shall include proposed legislation to implement the recommendations of the commission.

Sec. 69. [UNFUNDED MANDATE PROHIBITION.]

Subdivision 1. [DEFINITION.] As used in this section, "state mandates" has the meaning given in Minnesota Statutes, section 3.881.

Subd. 2. [FUNDING OF THE COST OF MANDATES.] If the fiscal note prepared by the commissioner of finance under Minnesota Statutes, section 3.982, indicates that a new or expanded mandate on a political subdivision in a bill introduced in the legislature will impose a statewide cost on counties in excess of \$500,000 or a statewide cost on cities or townships in excess of \$250,000, the political subdivisions are not required to implement the mandate unless the legislature, by appropriation enacted before the mandate is required to be implemented, provides reimbursement to the political subdivisions for the costs incurred.

Sec. 70. [SAVINGS CLAUSE.]

Notwithstanding the repealers in section 71 or any other provision in this act to the contrary, nothing in this act constitutes an impairment of any obligations, certificates of indebtedness, capital notes, or other debt instruments, including installment purchase contracts or lease purchase agreements, issued before the date of final enactment of this act, by a municipality as defined in Minnesota Statutes, section 469.174, subdivision 6, or a special taxing district as defined in Minnesota Statutes, section 275.066.

Sec. 71. [REPEALER.]

Subdivision 1. Minnesota Statutes 1994, sections 124.01; 124.05; 124.07; 124.76; 124.82, subdivisions 1, 2, and 4; 124.829; 124.83, subdivisions 2, 3, 5, 6, and 7; 124.84, subdivision 4; 124.85, subdivisions 1, 2, 2a, 2b, 3, 4, 5, 6, and 7; 124.86; 124.90; 124.91, subdivisions 1, 2, and 6; 124.912, subdivisions 2, 3, 6, and 8; 124.914; 124.916, subdivisions 3 and 4; 124.918, subdivisions 3, 4, 6, 7, and 8; 124.95, subdivisions 1, 2a, 3, and 5; 124.97; 124A.02, subdivisions 23 and 24; 124A.03, subdivisions 1b, 1d, 1e, 1f, and 1i; 124A.0311, subdivisions 1 and 3; 124A.04; 124A.23, subdivisions 2, 3, and 5; 124A.28; and 124A.29, subdivision 2, are repealed.

Minnesota Statutes 1995 Supplement, sections 124.06; 124.82, subdivision 3; 124.83, subdivisions 1, 4, and 8; 124.84, subdivisions 1, 2, and 3; 124.85, subdivision 2c; 124.91, subdivisions 4 and 5; 124.912, subdivisions 1, 7, and 9; 124.916, subdivisions 1 and 2; 124.918, subdivisions 1, 2, and 6; 124.95, subdivisions 2, 4, and 6; 124.961; 124A.02, subdivision 16; 124A.03, subdivisions 1c, 1g, and 1h; 124A.0311, subdivisions 2 and 4; 124A.032; 124A.22, subdivisions 1, 2, 3, 4, 4a, 4b, 6, 6a, 8, 8a, 10, 11, 12, 13, 13a, 13b, 13c, 13d, 13e, and 13f; 124A.23, subdivisions 1 and 4; 124A.24; and 124A.29, subdivision 1, are repealed.

Subd. 2. Minnesota Statutes 1994, sections 273.13, subdivisions 21a, 21b, 22, and 23; 273.135; 273.136; 273.1391; 473F.001; 473F.01; 473F.02, subdivisions 1, 3, 4, 5, and 6; 473F.03; 473F.05; 473F.06; 473F.07; 473F.08, subdivisions 1, 2, 3, 4, 5a, 6, 8a, and 10; 473F.09; 473F.10; 473F.11; 473F.13; 477A.011, subdivisions 1, 1a, 1b, 2, 2a, 3, 19, 20, 21, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 37; 477A.012, subdivisions 1, 3, 4, 7, and 8; 477A.0121, subdivisions 1, 2, 3, 5, and 6; 477A.0122, subdivisions 1, 3, 4, 5, and 6; 477A.013; 477A.014; 477A.015; 477A.016; 477A.017; 477A.03, subdivisions 1 and 3; 477A.11; 477A.13; and 477A.15, are repealed.

Minnesota Statutes 1995 Supplement, sections 273.13, subdivisions 24 and 25; 473F.02,

subdivision 21; 473F.08, subdivisions 3a, 3b, 5, and 7a; 477A.011, subdivision 36; 477A.012, subdivision 2; 477A.0121, subdivision 4; 477A.0122, subdivision 2; 477A.0132; 477A.03, subdivisions 1 and 3; 477A.12; and 477A.14, are repealed.

Subd. 3. Minnesota Statutes 1995 Supplement, section 256H.12, subdivision 3, is repealed.

Sec. 72. [EFFECTIVE DATE.]

Sections 2 to 5 and 69 are effective July 1, 1995. Section 71, subdivision 2, is effective for taxes payable in 1999, and section 71, subdivision 1, is effective for the 1999-2000 school year, provided that if the legislature does not pass and the governor does not approve legislation by the conclusion of the 1998 session that states in its body that it is replacing the provisions of the repealed chapters and sections in section 71, the repealed chapters and sections are reenacted."

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

Mr. Moe, R.D. then moved to amend the Moe, R.D. amendment to H.F. No. 3249 as follows:

Page 12, line 29, delete "1996" and insert "1997"

Page 13, line 12, delete "March 27" and insert "July 31"

Page 31, line 7, delete "1995" and insert "1996"

The motion prevailed. So the amendment to the amendment was adopted.

Ms. Krentz moved to amend the Moe, R.D. amendment to H.F. No. 3249 as follows:

Page 8, line 20, delete "or"

Page 8, line 29, after "due" insert "; or

(4) issuance of the bonds was approved by the voters at a referendum conducted pursuant to a resolution of the school board adopted by June 1, 1996"

Page 16, line 36, after the period, insert "A referendum may also authorize such a levy if the referendum is conducted pursuant to a resolution of the school board adopted by June 1, 1996."

The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Neville moved to amend the Moe, R.D., amendment to H.F. No. 3249 as follows:

Pages 29 to 31, delete sections 71 and 72 and insert:

"Sec. 71. [REPEALER.]

Minnesota Statutes 1994 and Minnesota Statutes 1995 Supplement, chapters 124, 124A, 273, and 477A, are repealed.

Sec. 72. [EFFECTIVE DATE.]

Section 71 is effective July 1, 1998."

Amend the title accordingly

The question was taken on the adoption of the Neville amendment to the Moe, R.D. amendment.

The roll was called, and there were yeas 25 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Kramer	Neuville	Robertson
Berg	Johnston	Laidig	Oliver	Runbeck
Dille	Kiscaden	Larson	Olson	Scheevel
Fischbach	Kleis	Lesewski	Ourada	Stevens
Frederickson	Knutson	Limmer	Pariseau	Terwilliger

Those who voted in the negative were:

Anderson	Hottinger	Lessard	Novak	Sams
Beckman	Janezich	Marty	Pappas	Samuelson
Berglin	Johnson, D.J.	Merriam	Piper	Solon
Betzold	Johnson, J.B.	Metzen	Pogemiller	Spear
Chandler	Kelly	Moe, R.D.	Price	Stumpf
Cohen	Krentz	Mondale	Ranum	Vickerman
Flynn	Kroening	Morse	Reichgott Junge	Wiener
Hanson	Langseth	Murphy	Riveness	

The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Frederickson moved to amend the Moe, R.D. amendment to H.F. No. 3249 as follows:

Page 31, line 10, delete everything after "year" and insert a period

Page 31, delete lines 11 to 14

The question was taken on the adoption of the Frederickson amendment to the Moe, R.D. amendment.

The roll was called, and there were yeas 24 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Laidig	Oliver	Runbeck
Dille	Kiscaden	Larson	Olson	Scheevel
Fischbach	Kleis	Lesewski	Ourada	Stevens
Frederickson	Knutson	Limmer	Pariseau	Terwilliger
Johnson, D.E.	Kramer	Neuville	Robertson	

Those who voted in the negative were:

Anderson	Hottinger	Lessard	Novak	Sams
Beckman	Janezich	Marty	Pappas	Samuelson
Berglin	Johnson, D.J.	Merriam	Piper	Solon
Betzold	Johnson, J.B.	Metzen	Pogemiller	Spear
Chandler	Kelly	Moe, R.D.	Price	Stumpf
Cohen	Krentz	Mondale	Ranum	Vickerman
Flynn	Kroening	Morse	Reichgott Junge	Wiener
Hanson	Langseth	Murphy	Riveness	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the Moe, R.D. amendment, as amended.

The roll was called, and there were yeas 56 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Langseth	Ourada	Scheevel
Beckman	Johnson, D.E.	Lesewski	Pappas	Solon
Berglin	Johnson, D.J.	Lessard	Pariseau	Spear
Betzold	Johnson, J.B.	Limmer	Piper	Stevens
Chandler	Johnston	Metzen	Pogemiller	Stumpf
Cohen	Kelly	Moe, R.D.	Price	Terwilliger
Dille	Kiscaden	Morse	Ranum	Vickerman
Fischbach	Kleis	Murphy	Reichgott Junge	Wiener
Flynn	Kramer	Neuville	Riveness	
Frederickson	Krentz	Novak	Runbeck	
Hanson	Kroening	Oliver	Sams	
Hottinger	Laidig	Olson	Samuelson	

Those who voted in the negative were:

Belanger
Berg

Knutson

Larson

Merriam

Robertson

The motion prevailed. So the Moe, R.D. amendment, as amended, was adopted.

Mr. Belanger moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 108, after line 31, insert:

"Sec. 6. Minnesota Statutes 1995 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] The commissioner shall establish the general education tax rate by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises \$1,054,000,000 for fiscal year 1996 and \$1,359,000,000 for fiscal year 1997 and \$1,188,000,000 for fiscal year 1998 and later fiscal years. The general education tax rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been established."

Page 151, line 30, after "2" insert "for school districts"

Page 153, strike lines 18 to 29

Page 153, after line 29, insert:

"Sec. 23. Minnesota Statutes 1994, section 273.1398, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD AND AGRICULTURAL CREDIT AID.] Homestead and agricultural credit aid for each unique taxing jurisdiction equals the product of (1) the homestead and agricultural credit aid base, and (2) the growth adjustment factor, ~~plus the net tax capacity adjustment and the fiscal disparity adjustment.~~ Only school districts shall receive homestead and agricultural credit aid in 1997 and thereafter."

Page 154, after line 14, insert:

"Sec. 25. Minnesota Statutes 1995 Supplement, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2, ~~2b,~~ and 3, ~~and 5~~ before September 1 of the year preceding the distribution year to the county auditor of the affected local government. The aids provided in subdivisions 2, ~~2b,~~ subdivision 3, ~~and 5~~ must be paid to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions, except that the first one-half payment of disparity reduction aid provided in subdivision 3 must be paid on or before August 31. The disparity reduction credit provided in subdivision 4 must be paid to taxing jurisdictions other than school districts at the time provided in section 473H.10, subdivision 3. Aids and credit reimbursements to school districts must be certified to the commissioner of children, families, and learning and paid under section 273.1392. Except for education districts and secondary cooperatives that receive revenue according to section 124.575, payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax.

Sec. 26. Minnesota Statutes 1995 Supplement, section 273.1398, subdivision 8, is amended to read:

Subd. 8. [APPROPRIATION.] An amount sufficient to pay the aids and credits provided under this section for school districts, intermediate school districts, or any group of school districts levying as a single taxing entity, is annually appropriated from the general fund to the commissioner of children, families, and learning. An amount sufficient to pay the aids and credits

provided under ~~this section~~ subdivisions 3 and 4 for counties, cities, towns, and special taxing districts is annually appropriated from the general fund to the commissioner of revenue. A jurisdiction's aid amount may be increased or decreased based on any prior year adjustments for homestead credit or other property tax credit or aid programs.

Sec. 27. Minnesota Statutes 1994, section 273.1399, subdivision 5, is amended to read:

Subd. 5. [LOCAL GOVERNMENT AIDS; HOMESTEAD AND AGRICULTURAL AID CALCULATIONS.] (a) The reduction in state tax increment financing aid for a municipality must be deducted first from the local government aids to be paid to the municipality. ~~If the deduction exceeds the amount of the local government aid, the rest must be deducted from the homestead and agricultural credit aid to be paid to the municipality.~~

(b) The amount of qualifying captured net tax capacity must be included in adjusted net tax capacity for purposes of computing the local government aid of the municipality that approved the tax increment financing district."

Page 161, after line 28, insert:

"Sec. 31. [275.071] [MARKET VALUE TAX.]

That portion of any county's, city's, town's, or special taxing district's levy which exceeds the jurisdiction's levy for taxes payable in 1996 shall be levied against the referendum market value of the jurisdiction, as defined in section 124A.02, subdivision 3b. When the jurisdiction reports its levy to the county auditor under section 275.07, it must separately identify the portion to be levied against net tax capacity and the portion to be levied against market value."

Page 189, after line 28, insert:

"Sec. 59. Minnesota Statutes 1994, section 477A.011, is amended by adding a subdivision to read:

Subd. 32a. [POVERTY PERCENTAGE.] "Poverty percentage" for a city is 100 times the ratio of the number of households below the poverty line to the total number of households in the city according to the most recent federal census.

Sec. 60. Minnesota Statutes 1994, section 477A.011, is amended by adding a subdivision to read:

Subd. 33c. [CITY DECLINE FACTOR.] "City decline factor" for a city is the product of the city's (1) pre-1940 housing percentage, (2) commercial industrial percentage, and (3) population decline percentage.

Sec. 61. Minnesota Statutes 1994, section 477A.011, subdivision 34, is amended to read:

Subd. 34. [CITY REVENUE NEED.] (a) For a city with a population equal to or greater than 2,500, "city revenue need" is the sum of (1) ~~3.462342~~ 6.110762 times the pre-1940 housing percentage; plus (2) ~~2.093826~~ 5.744915 times the commercial industrial percentage; plus (3) ~~6.862552~~ .024686 times the ~~population~~ city decline percentage factor; plus (4) ~~.00026~~ 9.784552 times the ~~city population~~; plus (5) ~~152.0144~~ poverty percentage.

(b) For a city with a population less than 2,500, "city revenue need" is the sum of (1) 1.795919 times the pre-1940 housing percentage; plus (2) 1.562138 times the commercial industrial percentage; plus (3) 4.177568 times the population decline percentage; plus (4) 1.04013 times the transformed population; minus (5) 107.475.

(c) The city revenue need cannot be less than zero.

(d) For calendar year 1995 and subsequent years, the city revenue need for a city with a population less than 2,500, as determined in paragraphs (a) to (b) and (c), is multiplied by the ratio of the annual implicit price deflator for state and local government purchases, as prepared by the United States Department of Commerce, for the most recently available year to the 1993 implicit price deflator for state and local government purchases.

(e) For calendar year 1998 and subsequent years, the city revenue need for a city with a population of 2,500 or more, as determined in paragraphs (a) and (c), is multiplied by the ratio of the annual implicit price deflator for state and local government purchases, as prepared by the United States Department of Commerce, for the most recent available year to the 1996 implicit price deflator for state and local government purchases."

Page 190, after line 5, insert:

"Sec. 63. [477A.0123] [COUNTY PROGRAM REFORM AID.]

Subdivision 1. [PURPOSE.] County program aid is intended to provide a financing source for the provision of property tax relief in incorporated areas through the funding of program mandates as defined in Minnesota Statutes 1994, section 3.881.

Subd. 2. [AID ALLOCATION.] Each calendar year, the commissioner of revenue shall distribute aid paid under this section as follows: For aid paid in 1997, each county's aid distribution under this section shall equal its prior year distribution under section 273.1398 plus the amount of the aid reduction to counties under section 477A.0132, subdivision 1, clause (a), adjusted for household growth as provided under section 273.1398. For aid paid in 1998 and thereafter, each county shall receive a distribution equal to the aid amount it received in the previous year adjusted for household growth as provided under section 273.1398. Aid paid under this section shall be used to reduce county levies within incorporated areas only.

Sec. 64. Minnesota Statutes 1994, section 477A.013, subdivision 8, is amended to read:

Subd. 8. [CITY FORMULA AID.] In calendar year 1994 1997 and subsequent years, the formula aid for a city is equal to the product of (1) the need increase percentage multiplied by the difference between (1) (2) the city's revenue need multiplied by its population, and (2) the city's net tax capacity multiplied by the tax effort rate (3) the square root of the difference between (i) 4.14 and (ii) the ratio of the city's net tax capacity to 215.06. No city may have a formula aid amount less than zero. The need increase percentage must be the same for all cities.

~~Notwithstanding the prior sentence, in 1995 only, the need increase percentage for a city shall be twice the need increase percentage applicable to other cities if:~~

~~(1) the city, in 1992 or 1993, transferred an amount from governmental funds to their sewer and water fund, and~~

~~(2) the amount transferred exceeded their net levy for taxes payable in the year in which the transfer occurred.~~

The applicable need increase percentage or percentages must be calculated by the department of revenue so that the total of the aid under subdivision 9 equals the total amount available for aid under section 477A.03.

Sec. 65. Minnesota Statutes 1994, section 477A.013, subdivision 9, is amended to read:

Subd. 9. [CITY AID DISTRIBUTION.] (a) In calendar year 1994 1997 and thereafter, each city shall receive an aid distribution equal to the sum of (1) the city formula aid under subdivision 8, and (2) its city aid base formula aid, subject to the limits in paragraphs (b), (c), and (d).

(b) The percentage increase for a first-class city in calendar year 1995 and thereafter 1997 shall not exceed 1-1/2 times the percentage increase in the sum of the aid to all cities under this section in the current calendar year 1997 compared to the sum of the aid to all cities in the previous year 1996. The percentage increase for a city in calendar year 1998 and thereafter shall not exceed 1-1/4 times the percentage increase in the sum of the aid to all cities under this section in the current calendar year compared to the sum of the aid to all cities in the previous year.

(c) In addition to the limitation in paragraph (b), the total aid for any city, except a first-class city, shall not exceed the sum of (1) ten 17 percent of the city's net levy for the year prior to the aid distribution plus (2) its total aid in the previous year before any increases or decreases under sections 16A.711, subdivision 5, and section 477A.0132.

(d) Notwithstanding paragraph (c), in 1995 only, for cities which in 1992 or 1993 transferred an amount from governmental funds to their sewer and water fund in an amount greater than their net levy for taxes payable in the year in which the transfer occurred, the total aid shall not exceed the sum of (1) 20 percent of the city's net levy for the year prior to the aid distribution plus (2) its total aid in the previous year before any increases or decreases under sections 16A.711, subdivision 5, and 477A.0132. No city shall receive total aid in any calendar year that is less than 90 percent of its prior year aid.

(e) Notwithstanding paragraphs (a), (b), (c), and (d), if a city with a population of 2,500 or more has a reduction in its net tax capacity of 20 percent or more in an assessment year compared to the previous year, the following limits and minimums apply:

(1) for aid distributed in the year immediately following the assessment year of the net tax capacity loss, the aid may not increase by more than an amount equal to the product of (i) 17 percent plus a percentage equal to the percent loss in net tax capacity and (ii) the city's net levy for the year prior to the aid distribution;

(2) for aid distributed in the five years following the assessment year of the net tax capacity loss, the aid may not be less than an amount equal to the following:

(i) for the first year, the amount of the net tax capacity loss multiplied by the city tax rate from the previous year;

(ii) for the second year, 80 percent of the minimum amount guaranteed in the first year;

(iii) for the third year, 60 percent of the minimum amount guaranteed in the first year;

(iv) for the fourth year, 40 percent of the minimum amount guaranteed in the first year;

(v) for the fifth year, 20 percent of the minimum amount guaranteed in the first year.

A city must notify the commissioner of revenue by July 1 of the year prior to the first year it would qualify for provisions under this paragraph in order to be eligible for aid adjustments under this paragraph. The city must also furnish the commissioner with any information needed to administer the provisions of this paragraph."

Page 192, delete lines 2 to 14 and insert:

"Subd. 2. [ANNUAL APPROPRIATION.] A sum sufficient to discharge the duties imposed by sections 477A.011 to 477A.014 is annually appropriated from the general fund to the commissioner of revenue. For aids payable in 1996 1997 and thereafter, the total aids paid under sections 477A.013, subdivision 9, 477A.0121 and 477A.0122 are the amounts certified to be paid in the previous year, adjusted for inflation as provided under subdivision 3. Aid payments to ~~counties~~ cities under section 477A.0121 477A.013, subdivision 9, are limited to \$20,265,000 in 1996 \$400,000,000 in 1997. For aid payable in 1997 1998 and thereafter, the total aids paid under section 477A.0121 477A.013, subdivision 9, are the amounts certified to be paid in the previous year, adjusted for inflation as provided under subdivision 3."

Page 213, line 3, before "Laws" insert "(a)"

Page 213, after line 4, insert:

"(b) Minnesota Statutes 1994, sections 477A.011, subdivisions 35 and 37; 477A.013, subdivision 6; and 477A.014, subdivision 1a; and Minnesota Statutes 1995 Supplement, section 477A.011, subdivision 36, are repealed."

Page 213, after line 7, insert:

"Sections 5, 23, 25 to 27, 31, 59 to 61, 63, 64, and 66 are effective for aids payable in 1997 and thereafter."

Renumber the sections in sequence and correct the internal references

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 9 and nays 55, as follows:

Those who voted in the affirmative were:

Belanger	Laidig	Merriam	Robertson	Terwilliger
Knutson	Limmer	Oliver	Runbeck	

Those who voted in the negative were:

Anderson	Hanson	Krentz	Murphy	Reichgott Junge
Beckman	Hottinger	Kroening	Neuville	Riveness
Berg	Janezich	Langseth	Novak	Sams
Berglin	Johnson, D.E.	Larson	Olson	Samuelson
Betzold	Johnson, D.J.	Lesewski	Ourada	Scheevel
Chandler	Johnson, J.B.	Lessard	Pappas	Solon
Cohen	Johnston	Marty	Pariseau	Spear
Dille	Kelly	Metzen	Piper	Stevens
Fischbach	Kiscaden	Moe, R.D.	Pogemiller	Stumpf
Flynn	Kleis	Mondale	Price	Vickerman
Frederickson	Kramer	Morse	Ranum	Wiener

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Limmer moved that the vote whereby the second Berg amendment to H.F. No. 3249 was not adopted on March 8, 1996, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 31 and nays 30, as follows:

Those who voted in the affirmative were:

Belanger	Kleis	Lesewski	Ourada	Terwilliger
Berg	Knutson	Lessard	Pariseau	Vickerman
Dille	Kramer	Limmer	Robertson	Wiener
Fischbach	Kroening	Merriam	Runbeck	
Johnston	Laidig	Neuville	Scheevel	
Kelly	Langseth	Oliver	Stevens	
Kiscaden	Larson	Olson	Stumpf	

Those who voted in the negative were:

Anderson	Flynn	Johnson, D.J.	Morse	Price
Beckman	Frederickson	Johnson, J.B.	Murphy	Ranum
Berglin	Hanson	Krentz	Novak	Reichgott Junge
Betzold	Hottinger	Marty	Pappas	Sams
Chandler	Janezich	Moe, R.D.	Piper	Samuelson
Cohen	Johnson, D.E.	Mondale	Pogemiller	Spear

The motion prevailed. So the vote was reconsidered.

The question recurred on the adoption of the Berg amendment.

Mr. Berg moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 340, after line 14, insert:

"Sec. 9. Minnesota Statutes 1994, section 270.60, subdivision 1, is amended to read:

Subdivision 1. [TAXES PAID BY INDIANS.] The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any federally recognized Indian reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a

refund to the governing body of any sales or excise tax paid by the total resident Indian population on or adjacent to a reservation into the state treasury, ~~or for an amount which measures the economic value of an agreement by the tribal government to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation,~~ notwithstanding any other law which limits the refundment of taxes. The total resident Indian population on or adjacent to a reservation shall be defined according to the United States Department of the Interior, Bureau of Indian Affairs, as determined and stated in its Report on Service Population and Labor Force. The amount of the tax estimated to have been paid must be based on a reasonable estimate of per capita expenditures or consumption."

Page 342, after line 13, insert:

"Sec. 14. Minnesota Statutes 1994, section 297.03, subdivision 4, is amended to read:

Subd. 4. [STAMPS; DESIGN, PRINTING.] The commissioner shall adopt the design of two stamps. One stamp shall be designed for application to cigarette packages destined for retail sale on an Indian reservation which is a party to an agreement pursuant to section 270.60, ~~subdivision 2,~~ and only to those packages. A second stamp shall be designed for all other cigarette packages subject to the provisions of this chapter. The commissioner shall arrange for the printing thereof in such amounts and denominations as the commissioner deems necessary."

Page 350, after line 27, insert:

"Sec. 23. [REPEALER.]

Minnesota Statutes 1994, section 270.60, subdivision 2, is repealed."

Page 351, after line 2, insert:

"Sections 9, 14, and 23 are effective for all agreements entered into after June 30, 1996. For agreements entered into before that date, this section is effective so that the commissioner of revenue shall exercise the power to invoke the earliest termination date of those agreements and renegotiate them in accordance with sections 9, 14, and 23."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 29, as follows:

Those who voted in the affirmative were:

Beckman	Kiscaden	Langseth	Neuville	Sams
Belanger	Kleis	Larson	Oliver	Samuelson
Berg	Knutson	Lesewski	Olson	Scheevel
Dille	Kramer	Lessard	Ourada	Stevens
Fischbach	Krentz	Limmer	Pariseau	Terwilliger
Johnston	Kroening	Marty	Robertson	Vickerman
Kelly	Laidig	Merriam	Runbeck	Wiener

Those who voted in the negative were:

Anderson	Frederickson	Johnson, J.B.	Novak	Reichgott Junge
Berglin	Hanson	Metzen	Pappas	Riveness
Betzold	Hottinger	Moe, R.D.	Piper	Solon
Chandler	Janezich	Mondale	Pogemiller	Spear
Cohen	Johnson, D.E.	Morse	Price	Stumpf
Flynn	Johnson, D.J.	Murphy	Ranum	

The motion prevailed. So the amendment was adopted.

Mr. Oliver moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 136, after line 6, insert:

"Sec. 19. Minnesota Statutes 1994, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$72,000 of market value of class 1a property has a net class rate of one percent of its market value for taxes payable in 1996; 1.1 percent for taxes payable in 1997; 1.2 percent for taxes payable in 1998; 1.3 percent for taxes payable in 1999; 1.4 percent for taxes payable in 2000; and 1.5 percent for taxes payable in 2001, and thereafter; and a gross class rate of 2.17 percent of its market value. ~~For taxes payable in 1992, the market value of class 1a property that exceeds \$72,000 but does not exceed \$115,000 has a class rate of two percent of its market value; and the market value of class 1a property that exceeds \$115,000 has a class rate of 2.5 percent of its market value. For taxes payable in 1993 and thereafter, The market value of class 1a property that exceeds \$72,000 has a class rate of two percent for taxes payable in 1996; 1.9 percent for taxes payable in 1997; 1.8 percent for taxes payable in 1998; 1.7 percent for taxes payable in 1999; 1.6 percent for taxes payable in 2000; and 1.5 percent for taxes payable in 2001, and thereafter.~~

(b) Class 1b property includes homestead real estate or homestead manufactured homes used for the purposes of a homestead by

(1) any blind person, or the blind person and the blind person's spouse; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

(4) any person who is permanently and totally disabled and whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed under clause (4) only if the government agency or income-providing source certifies, upon the request of the homestead occupant, that the homestead occupant satisfies the disability requirements of this paragraph.

Property is classified and assessed pursuant to clause (1) only if the commissioner of economic security certifies to the assessor that the homestead occupant satisfies the requirements of this paragraph.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net class rate of .45 percent of its market value and a gross class rate of .87 percent of its market value. The remaining market value of class 1b property has a gross or net class rate using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort or a partner in a partnership that owns the resort, even if the title to the homestead is held by the corporation or partnership. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used for residential occupancy and a fee is charged for residential occupancy. Class 1c property has a class rate of one percent of total market value for taxes payable in 1993 and thereafter with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore."

Page 149, line 34, after "percent" insert ", and for aid payable in 1997 to 2001 the class rates applied to class 1a, 1b, and the part of class 2a with the same class rates as 1a, shall be the rates applied to the property the year prior to the year the aid is payable"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Mr. Neuville moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 327, after line 33, insert:

"ARTICLE 20

EDUCATION INVESTMENT

Section 1. [11A.165] [EDUCATION INVESTMENT FUND.]

Subdivision 1. [ESTABLISHMENT.] A fund called the education investment fund is established in the state treasury for the purpose of investing money for grants to post-secondary students under section 136A.123. Accounts may be established within the fund for specific fields of study or geographical areas to which a corporation or individual wishes to contribute. Accounts may not be established that discriminate on the basis of race, ethnicity, or gender.

Subd. 2. [ASSETS.] The assets of the education investment fund shall consist of money contributed by private corporations, foundations, or individuals, and all income from the investment of contributions to the fund. All assets of the fund are appropriated for the purpose of supporting grants under section 136A.123.

Subd. 3. [MANAGEMENT.] The education investment fund shall be managed by the board.

Subd. 4. [INVESTMENTS.] The education investment fund shall be invested subject to the provisions of section 11A.24.

Subd. 5. [DISTRIBUTION OF ASSETS.] The board shall annually transfer appropriations from the fund to the higher education services office for distribution to eligible students under section 136A.123. Appropriations transferred to the higher education services office which are not spent do not cancel but are available for grants in the following fiscal year.

Sec. 2. [136A.123] [EDUCATION INVESTMENT GRANT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] An education investment grant program is established to provide grants to low-income students who withdraw funds from a qualified savings plan to pay for their post-secondary education.

Subd. 2. [ELIGIBILITY.] To be eligible to receive a grant from an account within the fund, a student must be:

- (1) a resident of the state of Minnesota;
- (2) enrolled at least half time in an undergraduate program of instruction at a public or private post-secondary institution; and
- (3) expend funds withdrawn from a savings plan under section 290.0803 to pay for post-secondary education expenses in the award year.

Subd. 3. [ALLOCATION; AWARDS.] Grants must be awarded on a funds available basis from appropriations transferred to the office by the state board of investment under section 11A.165. The office shall establish rules to govern the size and distribution of grant awards. If insufficient funds are available to award grants to all eligible applicants, the office shall give priority to applicants who demonstrate the greatest savings effort relative to income. A grant awarded under this section does not affect a recipient's eligibility for a state grant under section 136A.121.

Sec. 3. Minnesota Statutes 1994, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute, and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code, making the payment; and

(iii) for the purposes of items (i) and (ii), interest on obligations of an Indian tribal government described in section 7871(c) of the Internal Revenue Code shall be treated as interest income on obligations of the state in which the tribe is located;

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the

Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code. For the purpose of this paragraph, the disallowance of itemized deductions under section 68 of the Internal Revenue Code of 1986, income tax is the last itemized deduction disallowed;

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law Number 99-514, applies; and

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729; and

(5) the amount provided by section 290.0803, subdivision 3.

Sec. 4. Minnesota Statutes 1995 Supplement, section 290.01, subdivision 19b, is amended to read:

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

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

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

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g;

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

(8) to the extent not deducted in determining federal taxable income, the amount paid for health insurance of self-employed individuals as determined under section 162(l) of the Internal Revenue Code, except that the 25 percent limit does not apply. If the taxpayer deducted insurance payments under section 213 of the Internal Revenue Code of 1986, the subtraction under this clause must be reduced by the lesser of:

(i) the total itemized deductions allowed under section 63(d) of the Internal Revenue Code, less state, local, and foreign income taxes deductible under section 164 of the Internal Revenue Code and the standard deduction under section 63(c) of the Internal Revenue Code; or

(ii) the lesser of (A) the amount of insurance qualifying as "medical care" under section 213(d) of the Internal Revenue Code to the extent not deducted under section 162(1) of the Internal Revenue Code or excluded from income or (B) the total amount deductible for medical care under section 213(a); ~~and~~

(9) the exemption amount allowed under Laws 1995, chapter 255, article 3, section 2, subdivision 3; and

(10) the subtraction provided by section 290.0803, subdivision 2.

Sec. 5. [290.0803] [HIGHER EDUCATION TRUSTS.]

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

(b) "Higher education trust" means a grantor trust created or organized in Minnesota for the purpose of funding the qualified education expenses of the grantor, but only if the written governing instrument creating the trust meets the following requirements:

(1) No contributions shall be accepted unless it is in cash, and contributions shall not be accepted for the taxable year in excess of \$2,000.

(2) The trustee is a bank or other person who demonstrates to the satisfaction of the commissioner that the manner in which the other person will administer the trust will be consistent with the requirements of this section.

(3) No part of the trust funds shall be invested in life insurance contracts.

(4) The interest of an individual in the balance of the individual's account is nonforfeitable.

(5) The assets of the trust shall not be commingled with other property except in a common trust fund or common investment fund.

(6) The trust is not taxed for federal tax purposes as an individual retirement account under section 408 of the Internal Revenue Code.

(c) "Qualified education expense of the grantor" means tuition, books, and fees required for the enrollment or attendance at an eligible education institution of the grantor; the grantor's spouse; or any child, grandchild, or ancestor of the grantor or grantor's spouse. A qualified education expense of the grantor does not include expenses with respect to any course or other education involving sports, games, or hobbies other than as part of a degree program.

The amount of qualified higher education expenses otherwise taken into account under this paragraph with respect to the education of an individual shall be reduced, before the application of this paragraph, by the sum of the amounts received with respect to the individual for the taxable year as:

(1) a qualified scholarship which under section 117 of the Internal Revenue Code of 1986 is not includable in gross income;

(2) an educational assistance allowance under United States Code, title 38, chapter 30, 31, 32, 34, or 35;

(3) a payment, other than a gift, bequest, devise, or inheritance within the meaning of section 102(a) of the Internal Revenue Code for educational expenses, or attributable to attendance at an eligible educational institution, which is exempt from income taxation by any law of the United States; or

(4) amounts excluded from federal taxable income under section 135 of the Internal Revenue Code.

(d) For the purposes of paragraph (c), "eligible educational institution" means:

(1) an institution described in section 1201(a) or subparagraph (C) or (D) of section 481(a)(1) of the Higher Education Act of 1965; or

(2) an area vocational education school, as defined in subparagraph (C) or (D) of section 521(3) of the Carl D. Perkins' Vocational Education Act, that is in any state, as defined in section 521(27) of the Carl D. Perkins' Vocational Education Act.

Subd. 2. [SUBTRACTION.] The grantor is allowed a subtraction from federal taxable income in the amount of any net income or net capital gain other than income which is excluded from Minnesota tax by section 290.01, subdivision 19b, clause (1), generated by the higher education trust that is included in the grantor's federal taxable income for the year.

Subd. 3. [ADDITION.] The net income or capital loss of a higher education trust for a tax year which is included in the computation of the grantor's federal taxable income must be added to federal taxable income to the extent the loss is included in the grantor's computation of federal taxable income.

Subd. 4. [TAX ON DISTRIBUTION FROM A HIGHER EDUCATION TRUST.] In the event of distribution from a higher education trust within five years of the establishment of the higher education trust or in a year in which the distribution exceeds the qualified education expense of the grantor for the year notwithstanding any provision to the contrary, there is imposed on the grantor or the grantor's estate an additional tax in the amount of (1) two percent plus the highest marginal tax rate applicable to the grantor's net income in the year of distribution under section 290.06, subdivision 2c, clause (a), multiplied by the amount of the distribution if the distribution is made within five years of the establishment of the trust; or (2) the percentage determined under clause (1) multiplied by the amount of the distribution which exceeds the qualified education expense of the grantor for the year for distributions from a trust in existence for more than five years.

This tax applies regardless of whether the true grantor is a resident or nonresident of Minnesota in the year of distribution.

In no event shall the cumulative distributions subject to the tax in this subdivision exceed the cumulative amount of subtractions less cumulative additions claimed by the grantor on the grantor's Minnesota individual income tax returns for tax years prior to the year of distribution. Notwithstanding the filing requirements of section 289A.08, subdivision 1, a grantor is required to file a Minnesota individual tax return for any year in which the tax provided by this subdivision is imposed.

Subd. 5. [RETURNS OF HIGHER EDUCATION TRUSTS.] For each year a higher education trust is in existence, the grantor of the trust is required to file a return with the commissioner by October 15 of the year following the tax year. The return must include the social security number of the grantor, the amount of the contributions made to the trust by the grantor in the year, the amount of net income or loss of the trust for the year, the amount of distributions made in the year, and the amount of the qualified higher education expense incurred by the grantor in the year.

Subd. 6. [SUNSET OF THE SUBTRACTION AND ADDITION.] If the federal government enacts an income tax provision providing for nondeductible individual retirement accounts similar to the provision proposed by Congress in section 11015 of Revenue Reconciliation and Tax Simplification Provisions from Conference Report on HR 2491, Seven-Year Balanced Budget Reconciliation Act of 1995, filed November 16, 1995, the subtraction and additions provided by subdivisions 2 and 3 will not be allowed for tax years beginning after the year of federal enactment.

Subd. 7. ROLL-OVER OF DISTRIBUTIONS FROM HIGHER EDUCATION TRUSTS MADE AFTER THE YEAR OF THE SUNSET OF SUBDIVISION 2. If the federal government enacts a tax provision as provided in subdivision 6, the tax imposed by subdivision 4 will be reduced by the percentage determined under subdivision 4 of the amount contributed by the grantor to the nondeductible individual retirement account established by the grantor, other than the roll-over proceeds from an individual retirement account governed by section 407 of the Internal Revenue Code, in the year of distribution.

Sec. 6. Minnesota Statutes 1994, section 290.091, subdivision 2, is amended to read:

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

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

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

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding the Minnesota charitable contribution deduction and the medical expense deduction;

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

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

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

less the sum of the amounts determined under the following clauses (1) to ~~(3)~~ (4):

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

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

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

(4) the amount provided in subdivision 19b, clause (10).

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

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

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

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

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

(f) "Minnesota charitable contribution deduction" means a charitable contribution deduction under section 170 of the Internal Revenue Code to or for the use of an entity described in section 290.21, subdivision 3, clauses (a) to (e).

Sec. 7. Minnesota Statutes 1994, section 290.091, subdivision 6, is amended to read:

Subd. 6. [CREDIT FOR PRIOR YEARS' LIABILITY.] (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for the taxable year of

(1) the regular tax, over

(2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

(b) The adjusted net minimum tax for a taxable year equals the lesser of the net minimum tax or the excess (if any) of

(1) the tentative minimum tax, over

(2) seven percent of the sum of

(i) adjusted gross income as defined in section 62 of the Internal Revenue Code,

(ii) interest income as defined in section 290.01, subdivision 19a, clause (1),

(iii) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (ii),

(iv) depletion as defined in section 57(a)(1), determined without regard to the last sentence of paragraph (1), of the Internal Revenue Code, less

(v) the deductions provided in subdivision 2, paragraph (a), clauses clause (5), items ~~(i)~~, ~~(ii)~~, and ~~(iii)~~ (1) to (4), and

(vi) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted net minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

Sec. 8. [EFFECTIVE DATE.]

Sections 3 to 7 are effective for tax years beginning after December 31, 1995."

Renumber the articles in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Krentz	Oliver	Stevens
Berg	Johnston	Laidig	Olson	Terwilliger
Cohen	Kelly	Larson	Ourada	Wiener
Dille	Kiscaden	Lesewski	Pariseau	
Fischbach	Kleis	Limmer	Robertson	
Frederickson	Knutson	Metzen	Runbeck	
Hanson	Kramer	Neuville	Scheevel	

Those who voted in the negative were:

Anderson	Janezich	Merriam	Piper	Samuelson
Beckman	Johnson, D.J.	Moe, R.D.	Pogemiller	Solon
Berglin	Johnson, J.B.	Mondale	Price	Spear
Betzold	Kroening	Morse	Ranum	Stumpf
Chandler	Langseth	Murphy	Reichgott Junge	Vickerman
Flynn	Lessard	Novak	Riveness	
Hottinger	Marty	Pappas	Sams	

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

Mr. Metzen moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Pages 113 to 115, delete section 9

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 47 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kroening	Neuville	Sams
Beckman	Hottinger	Laidig	Novak	Samuelson
Berg	Janezich	Langseth	Ourada	Solon
Berglin	Johnson, D.E.	Lesewski	Pappas	Spear
Betzold	Johnson, D.J.	Lessard	Piper	Terwilliger
Cohen	Johnson, J.B.	Marty	Pogemiller	Vickerman
Dille	Kelly	Metzen	Price	Wiener
Fischbach	Kleis	Mondale	Ranum	
Flynn	Knutson	Morse	Reichgott Junge	
Frederickson	Krentz	Murphy	Riveness	

Those who voted in the negative were:

Belanger	Kramer	Olson	Robertson	Scheevel
Johnston	Limmer	Pariseau	Runbeck	Stumpf
Kiscaden	Oliver			

The motion prevailed. So the amendment was adopted.

Mr. Oliver moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 175, after line 29, insert:

"Sec. 38. Minnesota Statutes 1994, section 290A.04, is amended by adding a subdivision to read:

Subd. 2j. Effective beginning for taxes payable in 1997, a claimant who is a homeowner is allowed a credit equal to the excess of the claimant's net property taxes over six percent of the claimant's household income. In order to qualify for a credit under this subdivision, the claimant or the spouse of the claimant must be at least 65 years of age on December 31 of the year prior to the year in which the taxes are payable and must have resided in the homestead for at least ten consecutive years ending on December 31 of the year prior to the year in which the taxes are payable. No payment is allowed if the claimant's household income exceeds one-half the maximum income for which a claimant may receive a refund under subdivision 2. The commissioner of revenue may require claimants to certify eligibility for the credit in a form the

commissioner prescribes. For purposes of this subdivision, "net property taxes" means property taxes payable after reduction for all state paid aids or credits and after deduction of the refund for which the claimant qualifies under subdivisions 2 and 2h."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Johnston	Larson	Olson	Scheevel
Berg	Kiscaden	Lesewski	Ourada	Stevens
Cohen	Kleis	Lessard	Pariseau	Terwilliger
Fischbach	Knutson	Limmer	Robertson	Vickerman
Frederickson	Kramer	Metzen	Runbeck	
Hanson	Krentz	Neuville	Sams	
Johnson, D.E.	Laidig	Oliver	Samuelson	

Those who voted in the negative were:

Beckman	Janezich	Marty	Novak	Reichgott Junge
Berglin	Johnson, D.J.	Merriam	Pappas	Riveness
Betzold	Johnson, J.B.	Moe, R.D.	Piper	Solon
Dille	Kelly	Mondale	Pogemiller	Spear
Flynn	Kroening	Morse	Price	Stumpf
Hottinger	Langseth	Murphy	Ranum	Wiener

The motion prevailed. So the amendment was adopted.

Mr. Oliver then moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 136, after line 6, insert:

"Sec. 19. Minnesota Statutes 1994, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first ~~\$72,000~~ \$80,000 of market value of class 1a property has a net class rate of one percent of its market value and a gross class rate of 2.17 percent of its market value. ~~For taxes payable in 1992, the market value of class 1a property that exceeds \$72,000 but does not exceed \$115,000 has a class rate of two percent of its market value; and the market value of class 1a property that exceeds \$115,000 has a class rate of 2.5 percent of its market value. For taxes payable in 1993 and thereafter, The market value of class 1a property that exceeds \$72,000 \$80,000 has a class rate of two percent.~~

(b) Class 1b property includes homestead real estate or homestead manufactured homes used for the purposes of a homestead by

(1) any blind person, or the blind person and the blind person's spouse; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

(4) any person who is permanently and totally disabled and whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed under clause (4) only if the government agency or income-providing source certifies, upon the request of the homestead occupant, that the homestead occupant satisfies the disability requirements of this paragraph.

Property is classified and assessed pursuant to clause (1) only if the commissioner of economic security certifies to the assessor that the homestead occupant satisfies the requirements of this paragraph.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net class rate of .45 percent of its market value and a gross class rate of .87 percent of its market value. The remaining market value of class 1b property has a gross or net class rate using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort or a partner in a partnership that owns the resort, even if the title to the homestead is held by the corporation or partnership. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used for residential occupancy and a fee is charged for residential occupancy. Class 1c property has a class rate of one percent of total market value for taxes payable in 1993 and thereafter with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore."

Page 150, line 2, after the period, insert "For aid payable in 1997, the net class rate applied to class 1a, 1b, and the part of class 2a property consisting of the house, garage, and surrounding one acre of land shall be two percent for the market value between \$72,000 and \$80,000."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Ms. Olson moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 327, after line 35, insert:

"Section 1. Minnesota Statutes 1994, section 16A.102, is amended by adding a subdivision to read:

Subd. 4. [LEGISLATIVE ADJUSTMENTS REQUIRED.] When a bill is introduced and referred to a standing committee of the legislature, the commissioner of revenue shall determine whether enactment of the bill as introduced explicitly requires an increase or extension of a state or local tax. If the commissioner determines that a tax increase would be required, the commissioner shall prepare a note identifying the adjustment required to the legislative budget resolution adopted under subdivision 2 to accommodate the tax increase. A copy of the note shall be delivered to the chair of the committee on taxes and tax laws of the senate, the chair of the committee on taxes of the house of representatives, and the chief author of the bill."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Lesewski moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 273, line 2, delete "1997" and insert "1998"

Page 273, line 32, delete "1996" and insert "1997"

Page 274, line 1, delete "1996" and insert "1997"

Page 274, line 8, delete "1997" and insert "1998"

Page 276, line 32, delete "1997" and insert "1998"

Page 277, lines 1, 5, and 15, delete "1997" and insert "1998"

Page 289, line 19, delete "1997" and insert "1998"

The motion prevailed. So the amendment was adopted.

Ms. Johnston moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Pages 320 and 321, delete section 9

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Laidig	Olson	Stevens
Dille	Kelly	Larson	Ourada	Terwilliger
Fischbach	Kiscaden	Lesewski	Pariseau	
Frederickson	Kleis	Limmer	Robertson	
Hanson	Knutson	Merriam	Runbeck	
Johnson, D.E.	Kramer	Neuville	Scheevel	

Those who voted in the negative were:

Anderson	Hottinger	Metzen	Piper	Samuelson
Beckman	Janezich	Moe, R.D.	Pogemiller	Solon
Berg	Johnson, D.J.	Mondale	Price	Spear
Berglin	Krentz	Morse	Ranum	Stumpf
Betzold	Kroening	Murphy	Reichgott Junge	Vickerman
Cohen	Lessard	Novak	Riveness	Wiener
Flynn	Marty	Pappas	Sams	

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

Ms. Johnston then moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 323, line 2, delete "or" and insert a comma

Page 323, line 3, after "13" insert ", or for any use related to light rail transit including planning, promotion, right-of-way acquisition, development, construction, or operation"

Page 323, line 18, delete "section" and insert "sections" and after "473.386" insert ", 473.399 to 473.3998, and 473.4051"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 28, as follows:

Those who voted in the affirmative were:

Beckman	Johnson, D.E.	Kramer	Olson	Terwilliger
Belanger	Johnston	Laidig	Ourada	Vickerman
Cohen	Kelly	Lesewski	Pariseau	Wiener
Dille	Kiscaden	Limmer	Robertson	
Fischbach	Kleis	Marty	Runbeck	
Frederickson	Knutson	Neuville	Scheevel	

Those who voted in the negative were:

Anderson	Janezich	Moe, R.D.	Pogemiller	Samuelson
Berglin	Johnson, D.J.	Morse	Price	Solon
Betzold	Johnson, J.B.	Murphy	Ranum	Spear
Flynn	Krentz	Novak	Reichgott Junge	Stumpf
Hanson	Kroening	Pappas	Riveness	
Hottinger	Metzen	Piper	Sams	

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

Mr. Dille moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 334, delete lines 12 to 17

Page 334, line 18, delete "3" and insert "2"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 32, as follows:

Those who voted in the affirmative were:

Belanger	Hanson	Laidig	Mondale	Pariseau
Berg	Johnson, D.E.	Lesewski	Morse	Riveness
Betzold	Johnston	Lessard	Murphy	Scheevel
Dille	Kiscaden	Limmer	Neuville	Stevens
Fischbach	Kleis	Merriam	Olson	Terwilliger
Frederickson	Knutson	Moe, R.D.	Ourada	Wiener

Those who voted in the negative were:

Anderson	Janezich	Larson	Price	Solon
Beckman	Johnson, D.J.	Marty	Ranum	Spear
Berglin	Johnson, J.B.	Metzen	Reichgott Junge	Stumpf
Chandler	Kelly	Novak	Robertson	Vickerman
Cohen	Krentz	Pappas	Runbeck	
Flynn	Kroening	Piper	Sams	
Hottinger	Langseth	Pogemiller	Samuelson	

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Cohen moved that the vote whereby the second Oliver amendment to H.F. No. 3249 was adopted on March 11, 1996, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 42 and nays 18, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Limmer	Pappas	Solon
Beckman	Janezich	Marty	Piper	Spear
Berg	Johnson, D.J.	Merriam	Pogemiller	Stevens
Berglin	Johnson, J.B.	Metzen	Price	Stumpf
Betzold	Kelly	Moe, R.D.	Ranum	Vickerman
Chandler	Krentz	Mondale	Reichgott Junge	Wiener
Cohen	Laidig	Morse	Riveness	
Dille	Langseth	Murphy	Sams	
Flynn	Lessard	Novak	Samuelson	

Those who voted in the negative were:

Belanger	Johnston	Kramer	Olson	Scheevel
Fischbach	Kiscaden	Larson	Pariseau	Terwilliger
Frederickson	Kleis	Lesewski	Robertson	
Johnson, D.E.	Knutson	Neuville	Runbeck	

The motion prevailed. So the vote was reconsidered.

The question recurred on the second Oliver amendment.

Mr. Oliver moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 175, after line 29, insert:

"Sec. 38. Minnesota Statutes 1994, section 290A.04, is amended by adding a subdivision to read:

Subd. 2j. Effective beginning for taxes payable in 1997, a claimant who is a homeowner is allowed a credit equal to the excess of the claimant's net property taxes over six percent of the

claimant's household income. In order to qualify for a credit under this subdivision, the claimant or the spouse of the claimant must be at least 65 years of age on December 31 of the year prior to the year in which the taxes are payable and must have resided in the homestead for at least ten consecutive years ending on December 31 of the year prior to the year in which the taxes are payable. No payment is allowed if the claimant's household income exceeds one-half the maximum income for which a claimant may receive a refund under subdivision 2. The commissioner of revenue may require claimants to certify eligibility for the credit in a form the commissioner prescribes. For purposes of this subdivision, "net property taxes" means property taxes payable after reduction for all state paid aids or credits and after deduction of the refund for which the claimant qualifies under subdivisions 2 and 2h."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Neuville moved to amend the Oliver amendment to H.F. No. 3249, adopted by the Senate March 11, 1996, as follows:

Page 1, line 18, delete "one-half" and insert "one-quarter"

The question was taken on the adoption of the Neuville amendment to the Oliver amendment.

The roll was called, and there were yeas 37 and nays 24, as follows:

Those who voted in the affirmative were:

Beckman	Johnston	Lesewski	Olson	Spear
Belanger	Kiscaden	Lessard	Ourada	Stevens
Berg	Kleis	Limmer	Pariseau	Terwilliger
Dille	Knutson	Marty	Riveness	Vickerman
Fischbach	Kramer	Metzen	Robertson	Wiener
Frederickson	Krentz	Murphy	Runbeck	
Hanson	Laidig	Neuville	Sams	
Johnson, D.E.	Larson	Novak	Scheevel	

Those who voted in the negative were:

Anderson	Flynn	Kelly	Morse	Ranum
Berglin	Hottinger	Kroening	Pappas	Reichgott Junge
Betzold	Janezich	Langseth	Piper	Solon
Chandler	Johnson, D.J.	Merriam	Pogemiller	Stumpf
Cohen	Johnson, J.B.	Moe, R.D.	Price	

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the second Oliver amendment, as amended.

The roll was called, and there were yeas 45 and nays 17, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Laidig	Neuville	Sams
Beckman	Johnson, D.E.	Larson	Novak	Samuelson
Belanger	Johnston	Lesewski	Olson	Scheevel
Berg	Kelly	Lessard	Ourada	Spear
Betzold	Kiscaden	Limmer	Pariseau	Stevens
Dille	Kleis	Marty	Reichgott Junge	Stumpf
Fischbach	Knutson	Metzen	Riveness	Terwilliger
Frederickson	Kramer	Morse	Robertson	Vickerman
Hanson	Krentz	Murphy	Runbeck	Wiener

Those who voted in the negative were:

Berglin	Hottinger	Langseth	Piper	Solon
Chandler	Johnson, D.J.	Merriam	Pogemiller	
Cohen	Johnson, J.B.	Moe, R.D.	Price	
Flynn	Kroening	Pappas	Ranum	

The motion prevailed. So the second Oliver amendment, as amended, was adopted.

Ms. Runbeck moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 67, line 16, after the period, insert "The commissioner shall give top priority to qualifying organizations that collaborate with each other or offer more than one community service as defined in subdivision 2."

The motion prevailed. So the amendment was adopted.

Ms. Runbeck then moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 64, line 29, delete "revenue" and insert "economic security"

Page 65, lines 3 and 15, after "commissioner" insert "of economic security"

The motion prevailed. So the amendment was adopted.

Ms. Wiener moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 334, after line 20, insert:

"Subd. 4. [REIMBURSEMENT FOR EXPENSES; APPROPRIATION.] If any person can prove to the commissioner of administration that the person has incurred costs in excess of \$10,000 in planning to construct a metal shredding facility in a location where it is prohibited under this section, the commissioner shall reimburse the person for the actual and necessary expenses incurred in the planning process. The amount sufficient to pay the reimbursement is appropriated from the general fund to the commissioner of administration."

Ms. Wiener then moved to amend the Wiener amendment to H.F. No. 3249 as follows:

Page 1, line 8, after "\$10,000" insert "prior to March 8, 1996,"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Wiener amendment, as amended.

The roll was called, and there were yeas 34 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Laidig	Mondale	Runbeck
Belanger	Johnson, D.E.	Lesewski	Morse	Spear
Berg	Johnston	Lessard	Murphy	Stevens
Cohen	Kelly	Limmer	Neuville	Stumpf
Dille	Kiscaden	Marty	Ourada	Terwilliger
Fischbach	Kleis	Merriam	Price	Wiener
Frederickson	Kramer	Moe, R.D.	Riveness	

Those who voted in the negative were:

Beckman	Janezich	Larson	Pogemiller	Solon
Berglin	Johnson, D.J.	Metzen	Ranum	Vickerman
Betzold	Johnson, J.B.	Novak	Reichgott Junge	
Chandler	Knutson	Olson	Robertson	
Flynn	Krentz	Pappas	Sams	
Hottinger	Kroening	Piper	Samuelson	

The motion prevailed. So the Wiener amendment, as amended, was adopted.

Mr. Neuville moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 80, after line 15, insert:

"Sec. 16. [STUDY OF FLAT TAX.]

The commissioner of revenue shall study the consequences of the imposition of a flat tax in lieu of the current Minnesota income tax. The study shall include consideration of alternative proposals that would eliminate the deductions and exemptions in effect under the current tax law and provide data regarding the effects of these changes on Minnesota taxpayers. Each alternative considered by the study must include retention of a personal exemption at the various increased levels as well as retention of the deductions for home mortgage interest and charitable contributions. The report must be presented to the legislature by January 15, 1997."

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

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

Ms. Johnston moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 323, line 8, before the semicolon, insert "except sales tax revenue may not be used to pay certificates of indebtedness, bonds, or other obligations issued for any purpose related to light rail transit"

The motion prevailed. So the amendment was adopted.

Ms. Johnston then moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 326, line 25, after the period, insert "The proceeds of the tax may not be used for light rail transit, including planning, promotion, right-of-way acquisition, development, construction, or operation."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 35, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Laidig	Metzen	Runbeck
Berg	Kelly	Larson	Neuville	Scheevel
Dille	Kiscaden	Lesewski	Olson	Stevens
Fischbach	Kleis	Limmer	Pariseau	Terwilliger
Frederickson	Knutson	Marty	Riveness	
Johnson, D.E.	Kramer	Merriam	Robertson	

Those who voted in the negative were:

Anderson	Hanson	Langseth	Ourada	Sams
Beckman	Hottinger	Lessard	Pappas	Samuelson
Berglin	Janezich	Moe, R.D.	Piper	Solon
Betzold	Johnson, D.J.	Mondale	Pogemiller	Spear
Chandler	Johnson, J.B.	Morse	Price	Stumpf
Cohen	Krentz	Murphy	Ranum	Vickerman
Flynn	Kroening	Novak	Reichgott Junge	Wiener

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

Mr. Belanger moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 323, line 16, after "1996" insert "and in 1997, and thereafter, to provide an amount not less than the allowable amount calculated for the previous year multiplied by an index for market valuation changes equal to the average market valuation of all taxable property within each municipality operating a replacement service program for the current taxes payable year divided by the total market valuation of all taxable property within each municipality operating a replacement service program for the previous taxes payable year"

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

Mr. Belanger then moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 213, line 3, before "Laws" insert "(a)"

Page 213, after line 4, insert:

"(b) Minnesota Statutes 1995 Supplement, sections 270B.12, subdivision 11; 276.012; 290A.055; 290A.26; and Laws 1995, chapter 264, article 4, are repealed. Notwithstanding Minnesota Statutes, section 645.34, the sections of statutes amended by the repealed Laws 1995, chapter 264, article 4, remain in effect."

Page 213, line 35, after "92" insert ", paragraph (a),"

Page 214, after line 4, insert:

"Section 92, paragraph (b), is effective the day following final enactment."

Pages 214 to 224, delete article 12

Re-number the articles in sequence

Amend the title accordingly

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

Ms. Olson moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 58, after line 12, insert:

"Sec. 5. Minnesota Statutes 1995 Supplement, section 290.01, subdivision 19b, is amended to read:

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

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

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

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code. For taxable years beginning after December 31, 1995, for a dependent in grades kindergarten to 12 attending a home school that meets the requirements of this clause, the maximum deduction for amounts paid to others may not exceed \$3,000 for each dependent; and the purchase of computers and educational software that meets the requirements of textbooks under this clause are an allowable expense;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g;

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

(8) to the extent not deducted in determining federal taxable income, the amount paid for health insurance of self-employed individuals as determined under section 162(l) of the Internal Revenue Code, except that the 25 percent limit does not apply. If the taxpayer deducted insurance payments under section 213 of the Internal Revenue Code of 1986, the subtraction under this clause must be reduced by the lesser of:

(i) the total itemized deductions allowed under section 63(d) of the Internal Revenue Code, less state, local, and foreign income taxes deductible under section 164 of the Internal Revenue Code and the standard deduction under section 63(c) of the Internal Revenue Code; or

(ii) the lesser of (A) the amount of insurance qualifying as "medical care" under section 213(d) of the Internal Revenue Code to the extent not deducted under section 162(1) of the Internal Revenue Code or excluded from income or (B) the total amount deductible for medical care under section 213(a); and

(9) the exemption amount allowed under Laws 1995, chapter 255, article 3, section 2, subdivision 3."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Kramer	Limmer	Runbeck
Dille	Johnston	Laidig	Neuville	Scheevel
Fischbach	Kleis	Larson	Olson	Stevens
Frederickson	Knutson	Lesewski	Pariseau	Terwilliger

Those who voted in the negative were:

Anderson	Janezich	Marty	Piper	Solon
Beckman	Johnson, D.J.	Merriam	Pogemiller	Spear
Berglin	Johnson, J.B.	Metzen	Price	Stumpf
Betzold	Kelly	Moe, R.D.	Ranum	Vickerman
Chandler	Krentz	Mondale	Reichgott Junge	
Cohen	Kroening	Morse	Riveness	
Flynn	Langseth	Murphy	Sams	
Hottinger	Lessard	Pappas	Samuelson	

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

Ms. Olson then moved to amend the Moe, R.D. amendment to H.F. No. 3249, adopted by the Senate March 11, 1996, as follows:

Page 21, line 10, after "nonhomestead" insert ", rental residential property with four or more units, commercial-industrial property"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Kiscaden	Larson	Ourada	Stevens
Berglin	Kleis	Lesewski	Pariseau	Terwilliger
Fischbach	Knutson	Limmer	Robertson	
Frederickson	Kramer	Neuville	Runbeck	
Johnston	Laidig	Olson	Scheevel	

Those who voted in the negative were:

Beckman	Hottinger	Lessard	Murphy	Riveness
Berg	Janezich	Marty	Pappas	Samuelson
Betzold	Johnson, D.J.	Merriam	Piper	Solon
Chandler	Johnson, J.B.	Metzen	Pogemiller	Spear
Cohen	Krentz	Moe, R.D.	Price	Stumpf
Flynn	Kroening	Mondale	Ranum	Vickerman
Hanson	Langseth	Morse	Reichgott Junge	

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

Mr. Laidig moved to amend the Johnson, D.J., amendment to H.F. No. 3249, adopted by the Senate March 8, 1996, as follows:

Page 1, delete line 5 and insert:

"Page 55, delete article 8"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 0 and nays 59, as follows:

Those who voted in the negative were:

Anderson	Cohen	Hottinger	Johnston	Kramer
Beckman	Dille	Kelly	Kelly	Krentz
Berg	Fischbach	Johnson, D.E.	Kiscaden	Kroening
Betzold	Flynn	Johnson, D.J.	Kleis	Laidig
Chandler	Frederickson	Johnson, J.B.	Knutson	Langseth

Larson	Moe, R.D.	Ourada	Reichgott Junge	Solon
Lesewski	Mondale	Pappas	Riveness	Spear
Lessard	Morse	Pariseau	Robertson	Stevens
Limmer	Murphy	Piper	Runbeck	Stumpf
Marty	Neuville	Pogemiller	Sams	Terwilliger
Merriam	Novak	Price	Samuelson	Vickerman
Metzen	Olson	Ranum	Scheevel	

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

H.F. No. 3249 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 37 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Johnson, J.B.	Mondale	Solon
Beckman	Flynn	Kelly	Morse	Spear
Belanger	Frederickson	Kroening	Murphy	Stevens
Berg	Hanson	Laidig	Pappas	Stumpf
Berglin	Hottinger	Langseth	Piper	Vickerman
Betzold	Janezich	Lesewski	Pogemiller	
Chandler	Johnson, D.E.	Lessard	Reichgott Junge	
Cohen	Johnson, D.J.	Moe, R.D.	Riveness	

Those who voted in the negative were:

Fischbach	Krentz	Neuville	Ranum	Terwilliger
Johnston	Larson	Novak	Robertson	Wiener
Kiscaden	Limmer	Olson	Runbeck	
Kleis	Marty	Ourada	Sams	
Knutson	Merriam	Pariseau	Samuelson	
Kramer	Metzen	Price	Scheevel	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Johnson, D.J. moved that S.F. No. 2115, No. 109 on General Orders, be stricken and laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 842: Messrs. Betzold, Sams and Ms. Runbeck.

S.F. No. 1981: Messrs. Hottinger, Larson and Ms. Wiener.

H.F. No. 2580: Messrs. Samuelson, Sams and Stevens.

H.F. No. 2625: Messrs. Samuelson, Vickerman and Ms. Robertson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Messrs. Chmielewski, Day and Finn were excused from the Session of today. Ms. Kiscaden was excused from the Session of today from 10:00 to 10:30 a.m. Mr. Novak was excused from the Session of today from 1:00 to 3:15 p.m. Mr. Oliver was excused from the Session of today at 6:30 p.m. Mr. Morse was excused from the Session of today from 10:00 to 10:55 a.m. Ms. Johnson, J.B. was excused from the Session of today from 6:35 to 6:45 p.m. Mr. Lessard was excused from the Session of today from 2:00 to 2:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Tuesday, March 12, 1996. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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