

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-FIRST LEGISLATURE

NINETY-FIFTH DAY

St. Paul, Minnesota, Friday, March 24, 2000

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Betzold 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. Grant Speece.

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

Anderson	Hottinger	Laidig	Olson	Scheevel
Belanger	Janezich	Langseth	Ourada	Scheid
Berg	Johnson, D.E.	Larson	Pappas	Solon
Berglin	Johnson, D.H.	Lesewski	Pariseau	Spear
Betzold	Johnson, D.J.	Lessard	Piper	Stevens
Cohen	Junge	Limmer	Pogemiller	Stumpf
Day	Kelley, S.P.	Lourey	Price	Terwilliger
Dille	Kelly, R.C.	Marty	Ranum	Vickerman
Fischbach	Kierlin	Metzen	Ring	Wiener
Flynn	Kinkel	Moe, R.D.	Robertson	Wiger
Foley	Kiscaden	Murphy	Robling	Ziegler
Frederickson	Kleis	Neuville	Runbeck	
Hanson	Knutson	Novak	Sams	
Higgins	Krentz	Oliver	Samuelson	

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. 2193 and 2903.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 2000

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. 2615: A bill for an act relating to public health; providing that a person who leaves an

unharmd newborn child at a hospital may not be prosecuted; providing for duties to be undertaken by a hospital when accepting an unharmd newborn child; providing immunity from liability for hospitals and their personnel when carrying out those duties; limiting duty to implement certain relative preference placement requirements; proposing coding for new law in Minnesota Statutes, chapters 145; and 609.

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

Skora, Tingelstad and Wejcman.

Senate File No. 2615 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 2000

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2699:

H.F. No. 2699: A bill for an act relating to public administration; appropriating money for health and human services, agriculture, environment and natural resources, criminal justice, state government, and economic development; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; providing penalties; amending Minnesota Statutes 1998, sections 13.82, subdivision 3b; 15.0591, subdivision 2; 15A.0815, subdivisions 2 and 3; 16A.10, by adding a subdivision; 16A.11, subdivision 3; 16A.124, by adding a subdivision; 16A.126, subdivision 2; 16B.052; 16B.31, by adding a subdivision; 16B.335, subdivision 5; 16B.42, subdivisions 2 and 3; 16B.48, subdivision 4; 16B.485; 17A.03, subdivision 5; 18E.04, subdivision 4; 41A.09, subdivision 3a; 41B.03, subdivisions 1 and 2; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 2; 41B.045, subdivision 2; 43A.38, subdivision 1; 60H.03, by adding a subdivision; 80A.122, by adding a subdivision; 80A.28, subdivision 1; 85A.02, subdivision 5a; 103E.011, by adding a subdivision; 115B.17, subdivision 19; 119A.05, subdivision 1; 119A.37, subdivision 4; 120B.22, subdivision 1; 121A.15, subdivisions 4 and 10; 125A.74, subdivisions 1 and 2; 138.17, subdivision 10; 144.551, subdivision 1; 144A.071, by adding a subdivision; 169.01, subdivision 37; 169.121, subdivision 3b; 169.129, by adding a subdivision; 169.21, subdivisions 2 and 3; 169.89, subdivision 2; 179A.18, subdivision 1; 181.932, subdivision 1; 182.661, subdivision 1; 182.666, subdivision 2, and by adding a subdivision; 193.143; 198.03, subdivision 1; 221.173; 242.41; 242.43; 242.44; 254B.03, subdivision 1; 256.01, by adding a subdivision; 256.011, subdivision 3; 256.741, by adding a subdivision; 256.955, subdivisions 1 and 2; 256.9753, subdivision 3; 256.995, subdivision 1; 256B.431, by adding subdivisions; 256B.69, subdivision 5d; 256J.08, by adding a subdivision; 256J.15, by adding a subdivision; 256J.32, by adding a subdivision; 256J.40; 256J.45, subdivision 3; 256J.46, by adding subdivisions; 256J.47, subdivision 1; 256J.49, subdivision 13; 256J.50, subdivisions 5 and 7; 256J.52, by adding a subdivision; 256L.05, subdivision 5; 257.75, subdivision 6; 268.362, subdivision 2; 345.31, by adding a subdivision; 345.39, subdivision 1; 349A.02, subdivision 1; 352.91, subdivision 3c, and by adding subdivisions; 352D.02, subdivision 1; 352D.04, subdivision 2; 356.30, subdivision 1; 383B.225, subdivision 2; 390.005, subdivision 3; 390.33, subdivision 1; 422A.101, subdivision 3; 471.345, by adding a subdivision; 490.121, subdivision 4, and by adding a subdivision; 490.123, subdivisions 1a and 1b; 490.124, subdivision 1; 518B.01, subdivision 21; 609.02, subdivisions 3 and 4a; 609.03; 609.033; 609.0331; 609.0332, subdivision 1; 609.034; 609.135, by adding a subdivision; 609.2231, subdivision 1; 609.378, subdivision 1; 611A.07, subdivision 1; 611A.32, subdivisions 1, 2, 3, and 5; 611A.33; 611A.34, subdivisions 1, 2, and 3; 611A.345; 611A.35; 611A.36, subdivisions 1 and 2; 626.556, by adding a subdivision; 629.342, subdivision 2; and 629.72, subdivision 6; Minnesota Statutes 1999 Supplement, sections 3.971, subdivision 8; 10A.01, subdivisions 2 and 21; 13.99, subdivision 108, and by adding a subdivision; 15.059, subdivision 5a; 16A.103, subdivision 1; 16A.129, subdivision 3; 16B.616, subdivisions 3 and 4; 62J.535, subdivision 2; 62J.694, subdivision 2; 116.073, subdivision 1; 116J.421, subdivision 2; 119B.011, subdivision 15; 119B.02, subdivision 1; 125B.21, subdivision 1; 144.395, by adding a subdivision; 144.396, subdivisions 11 and 12; 144A.04, subdivision 5; 147.09; 169.121,

subdivisions 3, 3d, and 3f; 169.1217, subdivision 7; 169.129, subdivision 1; 179A.04, subdivision 3; 181.932, subdivision 2; 214.01, subdivision 2; 241.272, subdivision 6; 242.192; 256.01, subdivision 2; 256.019; 256.955, subdivisions 4, 8, and 9; 256B.0916, subdivision 1; 256B.69, subdivision 5b; 256D.03, subdivision 4; 256J.02, subdivision 2; 256J.08, subdivision 86; 256J.21, subdivision 2; 256J.26, subdivision 1; 256J.33, subdivision 4; 256J.34, subdivisions 1 and 4; 256J.46, subdivisions 1, 2, and 2a; 256J.52, subdivisions 3 and 5; 256J.56; 256L.07, subdivision 1; 326.105; 473.3993, subdivision 3; 609.135, subdivision 2; 626.556, subdivision 2; and 626.558, subdivision 1; Laws 1997, chapter 200, article 1, section 5, subdivision 3; Laws 1997, chapter 225, article 4, section 4, as amended; Laws 1998, chapter 389, article 16, section 31, subdivision 2, as amended; Laws 1999, chapter 216, article 1, sections 2, subdivision 3; 9; 14; Laws 1999, chapter 223, article 1, section 6, subdivision 1; article 2, section 81, as amended; article 3, section 8; Laws 1999, chapter 231, sections 2, subdivision 2; 6, as amended; 11, subdivision 3; Laws 1999, chapter 245, article 1, section 2, subdivisions 3, 5, and 10; article 4, section 121; and Laws 1999, chapter 250, article 1, sections 11; 14, subdivision 3; 18; and 116; proposing coding for new law in Minnesota Statutes, chapters 3; 5; 10A; 16A; 41B; 43A; 85; 136F; 144; 145; 169; 181; 182; 198; 242; 252; 256J; 256K; 260B; 326; 345; 473; and 611A; proposing coding for new law as Minnesota Statutes, chapter 146A; repealing Minnesota Statutes 1998, sections 16B.37, subdivisions 1, 2, and 3; 16B.88; 16E.01, subdivisions 2 and 3; 16E.03, subdivisions 1 and 3; 16E.04, subdivision 1; 16E.05; 16E.06; 16E.07, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11; 136F.59, subdivision 3; 168A.40, subdivisions 1 and 3; 184A.01; 184A.02; 184A.03; 184A.04; 184A.05; 184A.06; 184A.07; 184A.08; 184A.09; 184A.10; 184A.11; 184A.12; 184A.13; 184A.14; 184A.15; 184A.16; 184A.17; 184A.18; 184A.19; 184A.20; 241.41; 241.42; 241.43; 241.44; 241.441; 241.45; 256J.46, subdivision 1a; 352.91, subdivision 4; 465.795; 465.796; 465.797, subdivisions 2, 3, 4, 5, 6, and 7; 465.7971; 465.798; 465.799; 465.801; 465.802; 465.803; 465.81; 465.82, subdivisions 1, 2, and 3; 465.83; 465.84; 465.85; 465.86; 465.87; and 465.88; Minnesota Statutes 1999 Supplement, sections 16E.01, subdivision 1; 16E.02; 16E.03, subdivisions 2, 4, 5, 6, 7, and 8; 16E.04, subdivision 2; 16E.07, subdivision 4; 16E.08; 43A.318; 144.396, subdivision 13; 168A.40, subdivision 2; 465.797, subdivisions 1 and 5a; and 465.82, subdivision 4; Laws 1997, chapter 203, article 7, section 27; Laws 1999, chapter 135, section 9; Laws 1999, chapter 245, article 5, section 24; and Laws 1999, chapter 250, article 1, section 15, subdivision 4; Minnesota Rules, parts 3800.3810; 7672.0100; 7672.0200; 7672.0300; 7672.0400; 7672.0500; 7672.0600; 7672.0700; 7672.0800; 7672.0900; 7672.1000; 7672.1100; 7672.1200; 7672.1300; 7674.0100; 7674.0200; 7674.0300; 7674.0400; 7674.0500; 7674.0600; 7674.0700; 7674.0800; 7674.0900; 7674.1000; 7674.1100; and 7674.1200.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Goodno, Finseth, Boudreau, Krinkie and Osthoff have been appointed as such committee on the part of the House.

House File No. 2699 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 23, 2000

Senator Samuelson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2699, and that a Conference Committee of 5 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 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. 2821: A bill for an act relating to charitable organizations; amending report filing requirements; amending Minnesota Statutes 1998, section 309.53, subdivision 2.

Senate File No. 2821 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 22, 2000

CONCURRENCE AND REPASSAGE

Senator Hottinger moved that the Senate concur in the amendments by the House to S.F. No. 2821 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2821 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kleis	Pappas	Solon
Belanger	Higgins	Krentz	Piper	Spear
Berg	Hottinger	Lesewski	Price	Stevens
Berglin	Janezich	Limmer	Ranum	Stumpf
Betzold	Johnson, D.E.	Lourey	Ring	Vickerman
Cohen	Johnson, D.H.	Marty	Robertson	Wiener
Day	Junge	Metzen	Robling	Wiger
Fischbach	Kelly, R.C.	Moe, R.D.	Sams	Ziegler
Flynn	Kierlin	Neuville	Samuelson	
Foley	Kinkel	Oliver	Scheevel	
Frederickson	Kiscaden	Olson	Scheid	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

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. 2579: A bill for an act relating to trade regulations; regulating certain prescription drug discounts; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

Senate File No. 2579 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 22, 2000

CONCURRENCE AND REPASSAGE

Senator Hottinger moved that the Senate concur in the amendments by the House to S.F. No. 2579 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. no. 2579 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Krentz	Olson	Scheid
Belanger	Hottinger	Laidig	Pappas	Solon
Berg	Janezich	Langseth	Pariseau	Spear
Berglin	Johnson, D.E.	Lesewski	Piper	Stevens
Betzold	Johnson, D.H.	Lessard	Price	Stumpf
Cohen	Johnson, D.J.	Limmer	Ranum	Vickerman
Day	Junge	Lourey	Ring	Wiener
Fischbach	Kelly, R.C.	Marty	Robertson	Wiger
Flynn	Kierlin	Metzen	Robling	Ziegler
Foley	Kinkel	Moe, R.D.	Sams	
Frederickson	Kiscaden	Neuville	Samuelson	
Hanson	Kleis	Oliver	Scheevel	

Those who voted in the negative were:

Dille

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 4078.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 2000

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 4078: A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions and directions; establishing the Red River State Recreation Area and the Mill Towns Trail; establishing a working group on effects of increased activity in the DM&E railroad corridor; providing for certain surcharge forgiveness for a time for Gillette Children's Hospital, with certain conditions; authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 1998, sections 85.015, by adding a subdivision; 136F.36, subdivisions 1, 3, and by adding a subdivision; 136F.60, by adding a subdivision; and 136F.64, subdivision 1; Minnesota Statutes 1999 Supplement, sections 119A.45; and 124D.88, subdivision 3; Laws 1998, chapter 404, sections 3, subdivision 24; 5, subdivision 11, as amended; 7, subdivision 23, as amended; and 23, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 240A.

Senator Moe, R.D. moved that H.F. No. 4078 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Senator Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 3209 for comparison with companion Senate File, reports the following House File

was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3209	2699				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2656 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2656	3441				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2656 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2656 and insert the language after the enacting clause of S.F. No. 3441, the first engrossment; further, delete the title of H.F. No. 2656 and insert the title of S.F. No. 3441, the first engrossment.

And when so amended H.F. No. 2656 will be identical to S.F. No. 3441, and further recommends that H.F. No. 2656 be given its second reading and substituted for S.F. No. 3441, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 3122 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3122	2901				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 3122 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3122 and insert the language after the enacting clause of S.F. No. 2901, the first engrossment; further, delete the title of H.F. No. 3122 and insert the title of S.F. No. 2901, the first engrossment.

And when so amended H.F. No. 3122 will be identical to S.F. No. 2901, and further recommends that H.F. No. 3122 be given its second reading and substituted for S.F. No. 2901, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 3312 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3312	3223				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 3312 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3312 and insert the language after the enacting clause of S.F. No. 3223, the first engrossment; further, delete the title of H.F. No. 3312 and insert the title of S.F. No. 3223, the first engrossment.

And when so amended H.F. No. 3312 will be identical to S.F. No. 3223, and further recommends that H.F. No. 3312 be given its second reading and substituted for S.F. No. 3223, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Berglin from the Committee on Human Resources Finance, to which was re-referred

S.F. No. 2421: A bill for an act relating to consumer protection; regulating certain telephonic sales calls; providing remedies; amending Minnesota Statutes 1999 Supplement, section 13.99, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 325G.

Reports the same back with the recommendation that the bill do pass. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 2421 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 3209, 2656, 3122 and 3312 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Spear moved that the name of Senator Laidig be added as a co-author to S.F. No. 2429. The motion prevailed.

RECESS

Senator Moe, R.D. moved that the Senate do now recess until 10:15 a.m. The motion prevailed.

The hour of 10:15 a.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS -CONTINUED

Senator Moe, R.D. moved that H.F. No. 4078 be taken from the table. The motion prevailed.

H.F. No. 4078: A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions and directions; establishing the Red River State Recreation Area and the Mill Towns Trail; establishing a working group on effects of increased activity in the DM&E railroad corridor; providing for certain surcharge forgiveness for a time for Gillette Children's Hospital, with certain conditions; authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 1998, sections 85.015, by adding a subdivision; 136F.36, subdivisions 1, 3, and by adding a subdivision; 136F.60, by adding a subdivision; and 136F.64, subdivision 1; Minnesota Statutes 1999 Supplement, sections 119A.45; and 124D.88, subdivision 3; Laws 1998, chapter 404, sections 3, subdivision 24; 5, subdivision 11, as amended; 7, subdivision 23, as amended; and 23, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 240A.

SUSPENSION OF RULES

Senator Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 4078 and that the rules of the Senate be so far suspended as to give H.F. No. 4078 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 4078 was read the second time.

Senator Berglin moved to amend H.F. No. 4078 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 4078, and insert the language after the enacting clause, and the title, of S.F. No. 3811, the first engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 4078 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 55 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Langseth	Olson	Scheevel
Belanger	Janezich	Larson	Pappas	Scheid
Berg	Johnson, D.E.	Lesewski	Pariseau	Solon
Berglin	Johnson, D.J.	Lessard	Piper	Spear
Betzold	Junge	Lourey	Pogemiller	Stevens
Day	Kelly, R.C.	Marty	Price	Stumpf
Dille	Kierlin	Metzen	Ranum	Terwilliger
Flynn	Kinkel	Moe, R.D.	Ring	Vickerman
Foley	Kiscaden	Neuville	Robertson	Wiener
Frederickson	Knutson	Novak	Robling	Wiger
Higgins	Laidig	Oliver	Sams	Ziegler

Those who voted in the negative were:

Fischbach	Limmer	Ourada	Runbeck	Samuelson
Kleis				

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2657 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2657: A bill for an act relating to financing of government in this state; providing for payment of sales tax rebates and assistance to farmers; providing an income tax deduction or credit for dependents; modifying the treatment of certain types of income; modifying tax administration provisions; authorizing the city of Luverne to provide certain tax incentives; conforming with federal income tax changes; reducing the rate of the motor vehicle registration tax; exempting certain sales from taxation; restricting local taxes on motor vehicles; altering the imposition of the tax on insurance premiums; modifying the provider tax; reducing the rates of taxes on gambling; providing for administration of the tax on cigarettes; prohibiting distribution of certain types of cigarettes; providing for property tax homestead treatment; providing for certain property tax exemptions, credits, assessments, appeals, notices, and refunds; reducing certain property tax class rates; changing and providing for certain payments in lieu of taxes; changing provisions relating to tax increment financing, housing improvement areas, county housing authorities, and corporations created by political subdivisions; authorizing election by local governments to provide truth in taxation information on the Internet; extending senior citizen property tax deferral to certain taxes, special assessments, penalties, and interest; providing for certain special assessments by counties; modifying or increasing certain aids to local governments; providing special authority to certain political subdivisions; changing certain forfeiture provision relating to plats; authorizing issuance of certain obligations; providing for studies; appropriating money; amending Minnesota Statutes 1998, sections 16A.46; 60A.15, subdivision 1; 97A.061, by adding subdivisions; 168.013, subdivision 1a; 238.08, subdivision 3; 270.063, by adding a subdivision; 270A.03, subdivision 2; 272.115, subdivision 1; 273.124, by adding a subdivision; 273.1398, subdivision 4; 273.37, subdivision 3; 275.065, subdivisions 3, 8, and by adding subdivisions; 275.066; 276.19, subdivision 1; 289A.08, by adding a subdivision; 289A.35; 289A.60, subdivision 1; 290.01, by adding a subdivision; 290.17, subdivision 2; 290B.04, by adding a subdivision; 290B.05, subdivision 3; 290B.07; 290B.08, subdivisions 1 and 2; 290B.09, subdivision 2; 295.50, subdivision 9b; 297A.01, subdivisions 3 and 15; 297A.15, by adding a subdivision; 297A.25, subdivisions 5, 7, 65, and by adding subdivisions; 297F.01, subdivision 17; 297F.08, subdivisions 2, 4, 5, 8, and 9; 297F.21, subdivisions 1 and 3; 428A.11, by adding subdivisions; 428A.13, subdivisions 1 and 3; 428A.14, subdivision 1; 428A.15; 428A.16; 428A.17; 428A.19; 428A.21; 429.011, subdivisions 2a and 5; 429.021, subdivision 1; 429.031, subdivision 1; 469.003, subdivision 5; 469.006, subdivisions 1 and 2; 469.011, subdivision 4; 469.040, by adding a subdivision; 469.174, subdivision 10; 469.175, subdivisions 1a, 5, and 6; 469.176, subdivision 1b; 469.1763, by adding a subdivision; 473.39, by adding a subdivision; 477A.011, by adding a subdivision; 477A.0121, subdivision 4, and by adding a subdivision; 477A.03, by adding a subdivision; 477A.06, subdivisions 2 and 3; 477A.11, subdivision 1; 477A.12; 477A.13; 477A.14; Minnesota Statutes 1999 Supplement, sections 16D.09, subdivision 2; 123B.54; 270.65; 272.02, subdivision 39, and by adding a subdivision; 273.124, subdivisions 1 and 14; 273.13, subdivisions 24 and 25; 273.1382, subdivision 1b; 273.1398, subdivisions 1a and 4a; 275.065, subdivision 5a; 275.71, subdivision 4; 289A.02, subdivision 7; 290.01, subdivisions 19, 19b, and 31; 290.091, subdivision 2; 290A.03, subdivision 15; 290B.03, subdivision 1; 290B.05, subdivision 1; 291.005, subdivision 1; 295.53, subdivision 1; 297A.25, subdivisions 9 and 11; 297E.02, subdivisions 1, 4, and 6; 297F.08, subdivision 8a; 383D.74; 473.39, subdivision 1g; 477A.011, subdivision 36; 477A.03, subdivision 2; 477A.06, subdivision 1; 505.08, subdivision 3; Laws 1995, chapter 264, article 2, section 44, as amended; Laws 1995, First Special Session chapter 3, article 15, section 25; Laws 1999, chapters 112, sections 1, subdivisions 2 and 7; and 2; and 243, article 1, section 2; proposing coding for new law in Minnesota Statutes, chapters 273; 278; 290; 297F; 465; and 477A; repealing Minnesota Statutes 1998, sections

297A.15, subdivision 7; 465.715, subdivisions 1, 2, and 3; and 469.175, subdivision 6a; Minnesota Statutes 1999 Supplement, section 465.715, subdivision 1a; Minnesota Rules, part 8160.0300, subpart 4.

Senator Johnson, D.J. moved to amend S.F. No. 2657 as follows:

Page 5, line 12, delete "the later of" and delete ", or 30 days after"

Page 5, line 13, delete everything before the period

Page 27, lines 21 and 28, after "year" insert "without regard to the phase-out under section 151(d)(3) of the Internal Revenue Code"

Page 46, line 34, delete "the day after the 2000"

Page 46, line 35, delete "general election" and insert "July 1, 2001,"

Page 61, delete lines 19 to 25 and insert "DOCUMENTS.] The gross receipts from the sale of, and use, storage, distribution, or consumption of a drawing, diagram, or similar or related document or a copy of such a document are exempt if the document:

(1) is produced and sold by a patent drafter; and

(2) is for use in:

(i) a patent, trademark, or copyright application to be filed with government agencies;

(ii) an application to the federal Food and Drug Administration for approval of a medical device; or

(iii) a judicial or quasi-judicial proceeding, including mediation and arbitration, relating to the validity of or legal rights under a patent, trademark, or copyright.

For purposes of this subdivision, a "patent drafter" is a person who prepares illustrative documents required in the preparation of intellectual property applications."

Page 62, line 31, after "tramways" insert "at ski areas"

Page 145, line 12, after "only" insert "; these amounts are not subject to an adjustment for inflation under section 477A.03, subdivision 2, paragraph (b)"

Page 147, line 31, strike "and" and insert a comma and after "2002" insert ", and 2003"

Page 147, line 33, delete the new language and reinstate the stricken language

Pages 153 and 154, delete section 59 and insert:

"Sec. 59. [LOCAL GOVERNMENT AID; ST. AUGUSTA TOWNSHIP (THE CITY OF VENTURA).]

For aids payable in 2001 only, an additional aid payment of \$75,000 shall be paid to St. Augusta township or its succeeding municipal government (the city of Ventura). This aid shall be paid out of the city aid appropriation under Minnesota Statutes, section 477A.03, subdivision 2, paragraph (d). The aid under this section must not be included in calculating aid paid under Minnesota Statutes, section 477A.013, subdivision 9, or any other law, or of any limitations on levies or expenditures."

Page 198, line 17, delete "appropriated" and insert "allocated"

Page 199, line 12, delete "relocation and"

The motion prevailed. So the amendment was adopted.

Senator Johnson, D.J., for Senator Knutson, moved to amend S.F. No. 2657 as follows:

Page 196, after line 3, insert:

"Sec. 4. Minnesota Statutes 1998, section 270.07, subdivision 5, is amended to read:

Subd. 5. [CREDIT OF OVERPAYMENT TO DELINQUENT TAX LIABILITIES.] Notwithstanding any other provision of law to the contrary, in the case of an overpayment of any tax collected by the commissioner of revenue, the commissioner must apply the amount of the overpayment first to debts for child support as provided in section 270A.10, and then may credit the amount of such any remaining overpayment against any uncontested delinquent tax liability on the part of the taxpayer who made the overpayment. An overpayment may be credited against a tax liability under this subdivision only if the uncontested delinquent liability has been assessed within ten years of the date on which the overpayment is credited. However, this limitation shall not be applicable if the delinquent liability has been entered into judgment or if legal action is pending for collection of the liability or for renewal of the judgment. An amount paid as tax shall constitute an overpayment even if in fact there was no tax liability with respect to which such amount was paid.

EFFECTIVE DATE: This section is effective for claims submitted after June 30, 2001."

Page 197, after line 2, insert:

"Sec. 7. Minnesota Statutes 1998, section 270A.10, is amended to read:

270A.10 [PRIORITY OF CLAIMS.]

If two or more debts, in a total amount exceeding the debtor's refund, are submitted for setoff, the priority of payment shall be as follows: ~~First, any delinquent tax obligations of the debtor which are owed to the department shall be satisfied the refund must be applied to debts for child support based on the order in time in which the commissioner received the debts. Secondly, the refund shall be applied to debts for child support based on the order in time in which the commissioner received the debts any delinquent tax obligations of the debtor that are owed to the department must be satisfied. Thirdly, the refund shall be applied to payment of restitution obligations. Fourthly, the refund shall be applied to the remaining debts based on the order in time in which the commissioner received the debts.~~

EFFECTIVE DATE: This section is effective for claims submitted after June 30, 2001."

Page 197, after line 24, insert:

"Sec. 9. Minnesota Statutes 1998, section 290A.15, is amended to read:

290A.15 [CLAIM APPLIED AGAINST OUTSTANDING LIABILITY.]

The amount of any claim otherwise payable under this chapter must be applied by the commissioner first to debts for child support as provided in section 270A.10, and then may be applied by the commissioner against any delinquent tax liability of the claimant or spouse of the claimant payable to the department of revenue.

EFFECTIVE DATE: This section is effective for claims submitted after June 30, 2001."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Belanger moved to amend S.F. No. 2657 as follows:

Pages 95 to 107, delete sections 10 to 14 and insert:

"Sec. 10. Minnesota Statutes 1999 Supplement, 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 \$76,000 tier of market value of class 1a property has a net class rate of one percent of its market value; and the remaining market value of class 1a property ~~that exceeds \$76,000~~ has a class rate of ~~1.65~~ 1.5 percent of its market value. For the purposes of this subdivision, the first tier means the first \$76,000 of market value.

(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 household income, as defined in section 290A.03, subdivision 5, 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

(G) pension, annuity, or other income paid as a result of that disability from a private pension or disability plan, including employer, employee, union, and insurance plans and

(iii) has household income as defined in section 290A.03, subdivision 5, of \$50,000 or less; or

(4) any person who is permanently and totally disabled and whose household income as defined in section 290A.03, subdivision 5, is 275 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. The remaining market value of class 1b property has a 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 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. If any portion of the class 1c resort property is classified as class 4c under subdivision 25, the entire property must meet the requirements of subdivision 25, paragraph (d), clause (1), to qualify for class 1c treatment under this paragraph.

(d) Class 1d property includes structures that meet all of the following criteria:

(1) the structure is located on property that is classified as agricultural property under section 273.13, subdivision 23;

(2) the structure is occupied exclusively by seasonal farm workers during the time when they work on that farm, and the occupants are not charged rent for the privilege of occupying the property, provided that use of the structure for storage of farm equipment and produce does not disqualify the property from classification under this paragraph;

(3) the structure meets all applicable health and safety requirements for the appropriate season; and

(4) the structure is not salable as residential property because it does not comply with local ordinances relating to location in relation to streets or roads.

The market value of class 1d property has the same class rates as class 1a property under paragraph (a).

Sec. 11. Minnesota Statutes 1999 Supplement, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land has the same class rates as class 1a property under subdivision 22. The value of the remaining land including improvements up to \$115,000 has a net class rate of 0.35 percent of market value. The value of class 2a property over \$115,000 of market value up to and including \$600,000 market value has a net class rate of ~~0.8~~ 0.75 percent of market value. The remaining property over \$600,000 market value has a class rate of ~~1-20~~ one percent of market value.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; (2) real estate that is not improved with a structure and is used exclusively for growing trees for timber, lumber, and wood and wood products, if the owner has participated or is participating in a cost-sharing program for afforestation, reforestation, or timber stand improvement on that particular property, administered or coordinated by the commissioner of natural resources; (3) real estate that is nonhomestead agricultural land; or (4) a landing area or public access area of a privately owned public use airport. Class 2b property has a net class rate of ~~1-20~~ one percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, used during the preceding year for agricultural purposes. "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products or enrollment in the Reinvest in Minnesota program under sections 103F.501 to 103F.535 or the federal Conservation Reserve Program as contained in Public Law Number 99-198. Contiguous acreage on the same parcel, or contiguous acreage on an immediately adjacent parcel under the same ownership, may also qualify as agricultural land, but only if it is pasture, timber, waste, unusable wild land, or land included in state or federal farm programs. Agricultural classification for property shall be determined excluding the house, garage, and immediately surrounding one acre of land, and shall not be based upon the market value of any residential structures on the parcel or contiguous parcels under the same ownership.

(d) Real estate, excluding the house, garage, and immediately surrounding one acre of land, of less than ten acres which is exclusively and intensively used for raising or cultivating agricultural products, shall be considered as agricultural land.

Land shall be classified as agricultural even if all or a portion of the agricultural use of that property is the leasing to, or use by another person for agricultural purposes.

Classification under this subdivision is not determinative for qualifying under section 273.111.

The property classification under this section supersedes, for property tax purposes only, any locally administered agricultural policies or land use restrictions that define minimum or maximum farm acreage.

(e) The term "agricultural products" as used in this subdivision includes production for sale of:

(1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock described in sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner;

(2) fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use;

(3) the commercial boarding of horses if the boarding is done in conjunction with raising or cultivating agricultural products as defined in clause (1);

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing;

(5) game birds and waterfowl bred and raised for use on a shooting preserve licensed under section 97A.115;

(6) insects primarily bred to be used as food for animals; and

(7) trees, grown for sale as a crop, and not sold for timber, lumber, wood, or wood products.

(f) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

(1) wholesale and retail sales;

(2) processing of raw agricultural products or other goods;

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3), the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is

also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

(g) To qualify for classification under paragraph (b), clause (4), a privately owned public use airport must be licensed as a public airport under section 360.018. For purposes of paragraph (b), clause (4), "landing area" means that part of a privately owned public use airport properly cleared, regularly maintained, and made available to the public for use by aircraft and includes runways, taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing area also includes land underlying both the primary surface and the approach surfaces that comply with all of the following:

(i) the land is properly cleared and regularly maintained for the primary purposes of the landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities for servicing, repair, or maintenance of aircraft is not included as a landing area;

(ii) the land is part of the airport property; and

(iii) the land is not used for commercial or residential purposes.

The land contained in a landing area under paragraph (b), clause (4), must be described and certified by the commissioner of transportation. The certification is effective until it is modified, or until the airport or landing area no longer meets the requirements of paragraph (b), clause (4). For purposes of paragraph (b), clause (4), "public access area" means property used as an aircraft parking ramp, apron, or storage hangar, or an arrival and departure building in connection with the airport.

Sec. 12. Minnesota Statutes 1999 Supplement, section 273.13, subdivision 24, is amended to read:

Subd. 24. [CLASS 3.] (a) Commercial and industrial property and utility real and personal property is class 3a. Each parcel of real property has a class rate of ~~2.4~~ two percent of the first tier of market value, and ~~3.4~~ three percent of the remaining market value, except that in the case of contiguous parcels of property owned by the same person or entity, only the value equal to the first-tier value of the contiguous parcels qualifies for the reduced class rate. For the purposes of this subdivision, the first tier means the first \$150,000 of market value. Real property owned in fee by a utility for transmission line right-of-way shall be classified at the class rate for the higher tier. All personal property shall be classified at the class rate for the higher tier. For purposes of this subdivision "personal property" means tools, implements, and machinery of an electric generating, transmission, or distribution system, or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, which are fixtures.

For purposes of this paragraph, parcels are considered to be contiguous even if they are separated from each other by a road, street, vacant lot, waterway, or other similar intervening type of property.

(b) Employment property defined in section 469.166, during the period provided in section 469.170, shall constitute class 3b. The class rates for class 3b property are determined under paragraph (a).

~~(c)(1) Subject to the limitations of clause (2), structures which are (i) located on property classified as class 3a, (ii) constructed under an initial building permit issued after January 2, 1996,~~

(iii) located in a transit zone as defined under section 473.3915, subdivision 3, (iv) located within the boundaries of a school district, and (v) not primarily used for retail or transient lodging purposes, shall have a class rate equal to the lesser of 2.975 percent or the class rate of the second tier of the commercial property rate under paragraph (a) on any portion of the market value that does not qualify for the first tier class rate under paragraph (a). As used in item (v), a structure is primarily used for retail or transient lodging purposes if over 50 percent of its square footage is used for those purposes. A class rate equal to the lesser of 2.975 percent or the class rate of the second tier of the commercial property class rate under paragraph (a) shall also apply to improvements to existing structures that meet the requirements of items (i) to (v) if the improvements are constructed under an initial building permit issued after January 2, 1996, even if the remainder of the structure was constructed prior to January 2, 1996. For the purposes of this paragraph, a structure shall be considered to be located in a transit zone if any portion of the structure lies within the zone. If any property once eligible for treatment under this paragraph ceases to remain eligible due to revisions in transit zone boundaries, the property shall continue to receive treatment under this paragraph for a period of three years.

(2) This clause applies to any structure qualifying for the transit zone reduced class rate under clause (1) on January 2, 1999, or any structure meeting any of the qualification criteria in item (i) and otherwise qualifying for the transit zone reduced class rate under clause (1). Such a structure continues to receive the transit zone reduced class rate until the occurrence of one of the events in item (ii). Property qualifying under item (i)(D), that is located outside of a city of the first class, qualifies for the transit zone reduced class rate as provided in that item. Property qualifying under item (i)(E) qualifies for the transit zone reduced class rate as provided in that item.

(i) A structure qualifies for the rate in this clause if it is:

(A) property for which a building permit was issued before December 31, 1998; or

(B) property for which a building permit was issued before June 30, 2001, if:

(I) at least 50 percent of the land on which the structure is to be built has been acquired or is the subject of signed purchase agreements or signed options as of March 15, 1998, by the entity that proposes construction of the project or an affiliate of the entity;

(II) signed agreements have been entered into with one entity or with affiliated entities to lease for the account of the entity or affiliated entities at least 50 percent of the square footage of the structure or the owner of the structure will occupy at least 50 percent of the square footage of the structure; and

(III) one of the following requirements is met:

the project proposer has submitted the completed data portions of an environmental assessment worksheet by December 31, 1998; or

a notice of determination of adequacy of an environmental impact statement has been published by April 1, 1999; or

an alternative urban areawide review has been completed by April 1, 1999; or

(C) property for which a building permit is issued before July 30, 1999, if:

(I) at least 50 percent of the land on which the structure is to be built has been acquired or is the subject of signed purchase agreements as of March 31, 1998, by the entity that proposes construction of the project or an affiliate of the entity;

(II) a signed agreement has been entered into between the building developer and a tenant to lease for its own account at least 200,000 square feet of space in the building;

(III) a signed letter of intent is entered into by July 1, 1998, between the building developer and the tenant to lease the space for its own account; and

~~(IV) the environmental review process required by state law was commenced by December 31, 1998;~~

~~(D) property for which an irrevocable letter of credit with a housing and redevelopment authority was signed before December 31, 1998. The structure shall receive the transit zone reduced class rate during construction and for the duration of time that the original tenants remain in the building. Any unoccupied net leasable square footage that is not leased within 36 months after the certificate of occupancy has been issued for the building shall not be eligible to receive the reduced class rate. This reduced class rate applies only if the entity that constructed the structure continues to own the property;~~

~~(E) property, located in a city of the first class, and for which the building permits for the excavation, the parking ramp, and the office tower were issued prior to April 1, 1999, shall receive the reduced class rate during construction and for the first five assessment years immediately following its initial occupancy provided that, when completed, at least 25 percent of the net leasable square footage must be occupied by the entity or the parent entity constructing the structure each year during this time period. In order to receive the reduced class rate on the structure in any subsequent assessment years, at least 50 percent of the rentable square footage must be occupied by the entity or the parent entity that constructed the structure. This reduced class rate applies only if the entity or the parent entity that constructed the structure continues to own the property.~~

~~(ii) A structure specified by this clause, other than a structure qualifying under clause (i)(D) or (E), shall continue to receive the transit zone reduced class rate until the occurrence of one of the following events:~~

~~(A) if the structure upon initial occupancy will be owner occupied by the entity initially constructing the structure or an affiliated entity, the structure receives the reduced class rate until the structure ceases to be at least 50 percent occupied by the entity or an affiliated entity, provided, if the portion of the structure occupied by that entity or an affiliate of the entity is less than 85 percent, the transit zone class rate reduction for the portion of structure not so occupied terminates upon the leasing of such space to any nonaffiliated entity; or~~

~~(B) if the structure is leased by a single entity or affiliated entity at the time of initial occupancy, the structure shall receive the reduced class rate until the structure ceases to be at least 50 percent occupied by the entity or an affiliated entity, provided, if the portion of the structure occupied by that entity or an affiliate of the entity is less than 85 percent, the transit zone class rate reduction for the portion of structure not so occupied shall terminate upon the leasing of such space to any nonaffiliated entity; or~~

~~(C) if the structure meets the criteria in item (i)(C), the structure shall receive the reduced class rate until the expiration of the initial lease term of the applicable tenants.~~

~~Percentages occupied or leased shall be determined based upon net leasable square footage in the structure. The assessor shall allocate the value of the structure in the same fashion as provided in the general law for portions of any structure receiving and not receiving the transit tax class reduction as a result of this clause.~~

~~Sec. 13. Minnesota Statutes 1999 Supplement, section 273.13, subdivision 25, is amended to read:~~

~~Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property in a city with a population of 5,000 or less, that is (1) located outside of the metropolitan area, as defined in section 473.121, subdivision 2, or outside any county contiguous to the metropolitan area, and (2) whose city boundary is at least 15 miles from the boundary of any city with a population greater than 5,000 has a class rate of 2.15 percent of market value. All other~~

class 4a property has a class rate of ~~2.4~~ two percent of market value. For purposes of this paragraph, population has the same meaning given in section 477A.011, subdivision 3.

(b) Class 4b includes:

(1) residential real estate containing less than four units that does not qualify as class 4bb, other than seasonal residential, and recreational;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b) containing two or three units;

(4) unimproved property that is classified residential as determined under subdivision 33.

Class 4b property has a class rate of ~~1.65~~ 1.5 percent of market value.

(c) Class 4bb includes:

(1) nonhomestead residential real estate containing one unit, other than seasonal residential, and recreational; and

(2) a single family dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).

Class 4bb has a class rate of ~~1.2~~ one percent on the first \$76,000 of market value and a class rate of ~~1.65~~ 1.5 percent of its market value that exceeds \$76,000.

Property that has been classified as seasonal recreational residential property at any time during which it has been owned by the current owner or spouse of the current owner does not qualify for class 4bb.

(d) Class 4c property includes:

(1) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used for residential occupancy, and a fee is charged for residential occupancy. In order for a property to be classified as class 4c, seasonal recreational residential for commercial purposes, at least 40 percent of the annual gross lodging receipts related to the property must be from business conducted during 90 consecutive days and either (i) at least 60 percent of all paid bookings by lodging guests during the year must be for periods of at least two consecutive nights; or (ii) at least 20 percent of the annual gross receipts must be from charges for rental of fish houses, boats and motors, snowmobiles, downhill or cross-country ski equipment, or charges for marina services, launch services, and guide services, or the sale of bait and fishing tackle. For purposes of this determination, a paid booking of five or more nights shall be counted as two bookings. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause also includes the remainder of class 1c resorts provided that the entire property including that portion of the property classified as class 1c also meets the requirements for class 4c under this clause; otherwise the entire property is classified as class 3. Owners of real property devoted to temporary and seasonal residential occupancy for recreation purposes and all or a portion of which was devoted to commercial purposes for not more than 250 days in the year preceding the year of assessment desiring classification as class 1c or 4c, must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or

units and a proportionate share of the land on which they are located will be designated class 1c or 4c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The owner of property desiring designation as class 1c or 4c property must provide guest registers or other records demonstrating that the units for which class 1c or 4c designation is sought were not occupied for more than 250 days in the year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, and (4) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes shall not qualify for class 1c or 4c;

(2) qualified property used as a golf course if:

(i) it is open to the public on a daily fee basis. It may charge membership fees or dues, but a membership fee may not be required in order to use the property for golfing, and its green fees for golfing must be comparable to green fees typically charged by municipal courses; and

(ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with the golf course is classified as class 3a property;

(3) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1990. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity;

(4) post-secondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus;

(5) manufactured home parks as defined in section 327.14, subdivision 3; and

(6) real property that is actively and exclusively devoted to indoor fitness, health, social, recreational, and related uses, is owned and operated by a not-for-profit corporation, and is located within the metropolitan area as defined in section 473.121, subdivision 2.

Class 4c property has a class rate of ~~1.65~~ 1.5 percent of market value, except that (i) each parcel of seasonal residential recreational property not used for commercial purposes has the same class rates as class 4bb property, (ii) manufactured home parks assessed under clause (5) have the same class rate as class 4b property, and (iii) property described in paragraph (d), clause (4), has the same class rate as the rate applicable to the first tier of class 4bb nonhomestead residential real estate under paragraph (c).

(e) Class 4d property is qualifying low-income rental housing certified to the assessor by the

housing finance agency under sections 273.126 and 462A.071. Class 4d includes land in proportion to the total market value of the building that is qualifying low-income rental housing. For all properties qualifying as class 4d, the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents.

Class 4d property has a class rate of one percent of market value.

Sec. 14. Minnesota Statutes 1999 Supplement, section 273.13, subdivision 31, is amended to read:

Subd. 31. [CLASS 5.] Class 5 property includes:

- (1) unmined iron ore and low-grade iron-bearing formations as defined in section 273.14; and
- (2) all other property not otherwise classified.

Class 5 property has a class rate of ~~3.4~~ three percent of market value.

Sec. 15. Minnesota Statutes 1999 Supplement, section 273.1382, subdivision 1, is amended to read:

Subdivision 1. [EDUCATION CREDIT TAX RATE.] Each year, the respective county auditors shall determine the general education credit tax rate for each school district as the sum of: (i) the district's initial tax rate for each school district for the general education levy certified under section 126C.13, subdivision 2 or 3. That rate plus; (ii) the school district's education homestead credit tax rate adjustment under section 275.08, subdivision 1e, shall be the general education credit tax rate for the district; and (iii) the rate obtained by dividing an amount equal to 12 percent of the district's adjusted net tax capacity by the district's taxable net tax capacity plus its distribution net tax capacity, if any, under chapter 276A or 473F.

Sec. 16. Minnesota Statutes 1999 Supplement, section 273.1382, subdivision 1a, is amended to read:

Subd. 1a. [EDUCATION HOMESTEAD CREDIT.] Each county auditor shall determine a general education homestead credit for each homestead within the county equal to ~~66.2 percent for taxes payable in 1999 and 83.88 percent for taxes payable in 2000 and thereafter~~ of the education credit tax rate times the net tax capacity of the homestead for the taxes payable year. The amount of general education homestead credit for a homestead may not exceed ~~\$320 for taxes payable in 1999 and \$390 for taxes payable in 2000 and thereafter~~ \$535. In the case of an agricultural homestead, only the net tax capacity of the house, garage, and surrounding one acre of land shall be used in determining the property's education homestead credit.

Sec. 17. Minnesota Statutes 1999 Supplement, section 273.1382, subdivision 1b, is amended to read:

Subd. 1b. [EDUCATION AGRICULTURAL CREDIT.] Property classified as class 2a agricultural homestead or class 2b agricultural nonhomestead or timberland is eligible for education agricultural credit. The credit is equal to ~~54~~ 72 percent, in the case of agricultural homestead property up to \$600,000 in market value, or 50 percent, in the case of all other agricultural nonhomestead property or timberland, of the property's net tax capacity times the education credit tax rate determined in subdivision 1. The net tax capacity of class 2a property attributable to the house, garage, and surrounding one acre of land is not eligible for the credit under this subdivision."

Page 121, delete section 24 and insert:

"Sec. 27. Minnesota Statutes 1999 Supplement, section 275.71, subdivision 2, is amended to read:

Subd. 2. [LEVY LIMIT BASE.] (a) ~~The levy limit base for a local governmental unit for taxes levied in 1997 shall be equal to the sum of:~~

~~(1) the amount the local governmental unit levied in 1996, less any amount levied for debt, as reported to the department of revenue under section 275.62, subdivision 1, clause (1), and less any tax levied in 1996 against market value as provided for in section 275.61;~~

~~(2) the amount of aids the local governmental unit was certified to receive in calendar year 1997 under sections 477A.011 to 477A.03 before any reductions for state tax increment financing aid under section 273.1399, subdivision 5;~~

~~(3) the amount of homestead and agricultural credit aid the local governmental unit was certified to receive under section 273.1398 in calendar year 1997 before any reductions for tax increment financing aid under section 273.1399, subdivision 5;~~

~~(4) the amount of local performance aid the local governmental unit was certified to receive in calendar year 1997 under section 477A.05; and~~

~~(5) the amount of any payments certified to the local government unit in 1997 under sections 298.28 and 298.282.~~

~~If a governmental unit was not required to report under section 275.62 for taxes levied in 1997, the commissioner shall request information on levies used for debt from the local governmental unit and adjust its levy limit base accordingly.~~

~~(b) The levy limit base for a local governmental unit for taxes levied in 1998 is equal to its adjusted levy limit base in the previous year, subject to any adjustments under section 275.72 and multiplied by the increase that would have occurred under subdivision 3, clause (3), if that clause had been in effect for taxes levied in 1997.~~

~~(e) The levy limit base for a city with a population greater than 2,500 for taxes levied in 1999 2000 is limited equal to its adjusted levy limit base in the previous year, subject to adjustments under section 275.72.~~

~~(d) (b) The levy limit base for a county for taxes levied in 1999 2000 is limited equal to the difference between (1) its adjusted levy limit base in the previous year subject to adjustments under section 275.72, and (2) one-half of the county's share of the net cost to the state for assumption of district court costs, as reported by the supreme court to the commissioner of revenue under section 273.1398, subdivision 4a, paragraph (a).~~

Sec. 28. Minnesota Statutes 1999 Supplement, section 275.71, subdivision 3, is amended to read:

Subd. 3. [ADJUSTED LEVY LIMIT BASE.] For taxes levied in 1998 and 1999 2000, the adjusted levy limit is equal to the levy limit base computed under subdivision 2 or section 275.72, multiplied by:

(1) one plus a percentage equal to the percentage growth in the implicit price deflator; and

(2) for all cities and for counties outside of the seven-county metropolitan area, one plus a percentage equal to the percentage increase in number of households, if any, for the most recent 12-month period for which data is available; and for counties located in the seven-county metropolitan area, one plus a percentage equal to the greater of the percentage increase in the number of households in the county or the percentage increase in the number of households in the entire seven-county metropolitan area for the most recent 12-month period for which data is available; and

(3) one plus a percentage equal to the percentage increase in the taxable market value of the jurisdiction due to new construction of class 3 and class 5 property, as defined in section 273.13, subdivisions 24 and 31, for the most recent year for which data are available.

Sec. 29. Minnesota Statutes 1999 Supplement, section 275.71, subdivision 4, is amended to read:

Subd. 4. [PROPERTY TAX LEVY LIMIT.] For taxes levied in 1998 and 1999 and 2000, the property tax levy limit for a local governmental unit is equal to its adjusted levy limit base determined under subdivision 3 plus any additional levy authorized under section 275.73, which is levied against net tax capacity, reduced by the sum of (1) the total amount of aids that the local governmental unit is certified to receive under sections 477A.011 to 477A.014, (2) homestead and agricultural aids it is certified to receive under section 273.1398, (3) local performance aid it is certified to receive under section 477A.05, (4) taconite aids under sections 298.28 and 298.282 including any aid which was required to be placed in a special fund for expenditure in the next succeeding year but excluding amounts allocated under section 298.28, subdivision 2, paragraph (b), (5) flood loss aid under section 273.1383, and (6) low-income housing aid under sections 477A.06 and 477A.065.

Sec. 30. Minnesota Statutes 1998, section 275.72, subdivision 1, is amended to read:

Subdivision 1. [ADJUSTMENTS FOR CONSOLIDATION.] If all of the area included in two or more local governmental units is consolidated, merged, or otherwise combined to constitute a single governmental unit, the levy limit base for the resulting governmental unit in the first levy year in which the consolidation is effective shall be equal to (1) the highest average tax rate in any of the merging governmental units in for the previous current taxes payable year multiplied by the net tax capacity of all the merging governmental units in for the previous current taxes payable year, minus (2) the sum of all levies in the merging governmental units in for the previous current taxes payable year that qualify as special levies under section 275.70, subdivision 3. The average tax rate of a governmental unit for the current taxes payable year shall be determined by (1) adding the governmental subdivision's final certified levy for the current taxes payable year and its property tax aids described in section 275.71, subdivision 4, for the current aid payment year, and dividing that result by (2) the sum of the governmental subdivision's total taxable net tax capacity and its total fiscal disparity distribution net tax capacity, if any, for the current taxes payable year. The net tax capacity of all the merging governmental units for the purpose of this adjustment shall be the sum of their total taxable net tax capacity plus their total fiscal disparity distribution net tax capacity, if any, for the current taxes payable year."

Page 156, after line 17, insert:

"Sec. 70. [REPEALER.]

Minnesota Statutes 1999 Supplement, section 273.13, subdivision 24a, is repealed.

Sec. 71. [EFFECTIVE DATE.]

Sections 10 to 17, 27 to 30, and 70 are effective for taxes payable in 2001 and subsequent years."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate for the balance of the proceedings on S.F. No. 2657. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Belanger amendment.

The roll was called, and there were yeas 25 and nays 40, as follows:

Those who voted in the affirmative were:

Belanger	Kierlin	Larson	Olson	Runbeck
Day	Kiscaden	Lesewski	Ourada	Scheevel
Dille	Kleis	Limmer	Pariseau	Stevens
Fischbach	Knutson	Neuville	Robertson	Terwilliger
Frederickson	Laidig	Oliver	Robling	Ziegler

Those who voted in the negative were:

Anderson	Higgins	Kinkel	Murphy	Sams
Berg	Hottinger	Krentz	Novak	Samuelson
Berglin	Janezich	Langseth	Pappas	Scheid
Betzold	Johnson, D.E.	Lessard	Piper	Solon
Cohen	Johnson, D.H.	Lourey	Pogemiller	Spear
Flynn	Johnson, D.J.	Marty	Price	Stumpf
Foley	Kelley, S.P.	Metzen	Ranum	Vickerman
Hanson	Kelly, R.C.	Moe, R.D.	Ring	Wiener

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

Senator Belanger moved to amend S.F. No. 2657 as follows:

Page 28, after line 5, insert:

"Sec. 5. Minnesota Statutes 1999 Supplement, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first ~~\$25,220~~ \$25,680, ~~5.5~~ 5.22 percent;
- (2) On all over ~~\$25,220~~ \$25,680, but not over ~~\$100,200~~ \$102,030, ~~7.25~~ 6.88 percent;
- (3) On all over ~~\$100,200~~ \$102,030, ~~8~~ 7.6 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$17,250~~ \$17,570, ~~5.5~~ 5.22 percent;
- (2) On all over ~~\$17,250~~ \$17,570, but not over ~~\$56,680~~ \$57,710, ~~7.25~~ 6.88 percent;
- (3) On all over ~~\$56,680~~ \$57,710, ~~8~~ 7.6 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$21,240~~ \$21,630, ~~5.5~~ 5.2 percent;
- (2) On all over ~~\$21,240~~ \$21,630, but not over ~~\$85,350~~ \$86,910, ~~7.25~~ 6.8 percent;
- (3) On all over ~~\$85,350~~ \$86,910, ~~8~~ 7.6 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the

nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by the additions required under section 290.01, subdivision 19a, clauses (1) and (6), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1) and (6), and reduced by the amounts specified in section 290.01, subdivision 19b, clause (1).

EFFECTIVE DATE: This section is effective for taxable years beginning after December 31, 1999.

Sec. 6. Minnesota Statutes 1999 Supplement, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] (a) For taxable years beginning after December 31, ~~1999~~ 2000, the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage determined under paragraph (b). For the purpose of making the adjustment as provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets as they existed for taxable years beginning after December 31, ~~1998~~ 1999, and before January 1, ~~2000~~ 2001. The rate applicable to any rate bracket must not be ~~changed~~. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

(b) The commissioner shall adjust the rate brackets and by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) the word "~~1998~~" "1999" shall be substituted for the word "1992." For ~~2000~~ 2001, the commissioner shall then determine the percent change from the 12 months ending on August 31, 1998, to the 12 months ending on August 31, ~~1999~~ 2000, and in each subsequent year, from the 12 months ending on August 31, ~~1998~~ 1999, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be subject to the Administrative Procedure Act contained in chapter 14.

No later than December 15 of each year, the commissioner shall announce the specific percentage that will be used to adjust the tax rate brackets.

EFFECTIVE DATE: This section is effective for taxable years beginning after December 31, 2000."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Senator Robertson moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 28 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.H.	Larson	Olson	Scheevel
Berg	Kierlin	Lesewski	Ourada	Stevens
Day	Kiscaden	Lessard	Pariseau	Terwilliger
Dille	Kleis	Limmer	Robertson	Ziegler
Fischbach	Knutson	Neuville	Robling	
Frederickson	Laidig	Oliver	Runbeck	

Those who voted in the negative were:

Anderson	Hottinger	Langseth	Piper	Solon
Berglin	Janezich	Lourey	Pogemiller	Spear
Betzold	Johnson, D.E.	Marty	Price	Stumpf
Cohen	Johnson, D.J.	Metzen	Ranum	Vickerman
Flynn	Junge	Moe, R.D.	Ring	Wiener
Foley	Kelley, S.P.	Murphy	Sams	Wiger
Hanson	Kinkel	Novak	Samuelson	
Higgins	Krentz	Pappas	Scheid	

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

Senator Belanger moved to amend S.F. No. 2657 as follows:

Page 27, line 24, delete "and"

Page 27, line 32, after "290.0676" insert "; and

(15) to the extent included in federal taxable income, 20 percent of adjusted net capital gain, as defined in section 1(h) of the Internal Revenue Code."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Belanger	Kierlin	Larson	Ourada	Scheevel
Berg	Kiscaden	Lesewski	Pariseau	Stevens
Day	Kleis	Limmer	Robertson	Terwilliger
Dille	Knutson	Neuville	Robling	Ziegler
Fischbach	Laidig	Oliver	Runbeck	
Frederickson	Langseth	Olson	Sams	

Those who voted in the negative were:

Anderson	Hottinger	Lessard	Piper	Spear
Berglin	Janezich	Lourey	Pogemiller	Stumpf
Betzold	Johnson, D.H.	Marty	Price	Vickerman
Cohen	Johnson, D.J.	Metzen	Ranum	Wiener
Flynn	Kelley, S.P.	Moe, R.D.	Ring	Wiger
Foley	Kelly, R.C.	Murphy	Samuelson	
Hanson	Kinkel	Novak	Scheid	
Higgins	Krentz	Pappas	Solon	

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

Senator Belanger then moved to amend S.F. No. 2657 as follows:

Page 195, after line 28, insert:

"Sec. 3. Minnesota Statutes 1998, section 62E.11, is amended by adding a subdivision to read:

Subd. 14. [FUNDING.] There is annually appropriated from the general fund to the commissioner of commerce a sum sufficient to pay 75 percent of the claims expenses and operating and administrative expenses of the association incurred on or after January 1, 2001, to the extent they exceed premiums received. Any expenses not paid by this annual appropriation must be paid as otherwise provided in this section. All contributing members shall adjust their premium rates to fully reflect funding provided under this subdivision. The commissioner of commerce or the commissioner of health, as appropriate, shall require contributing members to prove compliance with this rate adjustment requirement.

The commissioner of commerce shall transfer to the association each July 1 and January 1, one-half of the annual appropriation provided by this subdivision."

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 24 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Kierlin	Lesewski	Ourada	Scheevel
Day	Kleis	Limmer	Pariseau	Stevens
Dille	Knutson	Neuville	Robertson	Terwilliger
Fischbach	Laidig	Oliver	Robling	Ziegler
Frederickson	Larson	Olson	Runbeck	

Those who voted in the negative were:

Anderson	Hottinger	Langseth	Pappas	Scheid
Berglin	Janezich	Lessard	Piper	Spear
Betzold	Johnson, D.H.	Lourey	Pogemiller	Stumpf
Cohen	Johnson, D.J.	Marty	Price	Vickerman
Flynn	Kelley, S.P.	Metzen	Ranum	Wiener
Foley	Kinkel	Moe, R.D.	Ring	Wiger
Hanson	Kiscaden	Murphy	Sams	
Higgins	Krentz	Novak	Samuelson	

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

Senator Belanger moved to amend S.F. No. 2657 as follows:

Page 62, line 2, after "subdivision" insert ", or a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes satisfying the requirements of subdivision 16 and Minnesota Rules, part 8130.6200"

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

Senator Runbeck moved to amend S.F. No. 2657 as follows:

Page 28, after line 5, insert:

"Sec. 5. Minnesota Statutes 1999 Supplement, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first ~~\$25,220~~ \$25,680, ~~5.5~~ 5 percent;
- (2) On all over ~~\$25,220~~ \$25,680, but not over ~~\$100,200~~ \$102,030, ~~7.25~~ 6.75 percent;
- (3) On all over ~~\$100,200~~ \$102,030, ~~8~~ 7.5 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$17,250~~ \$17,570, ~~5.5~~ 5 percent;
- (2) On all over ~~\$17,250~~ \$17,570, but not over ~~\$56,680~~ \$57,710, ~~7.25~~ 6.75 percent;
- (3) On all over ~~\$56,680~~ \$57,710, ~~8~~ 7.5 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$21,240~~ \$21,630, ~~5.5~~ 5 percent;
- (2) On all over ~~\$21,240~~ \$21,630, but not over ~~\$85,350~~ \$86,910, ~~7.25~~ 6.75 percent;
- (3) On all over ~~\$85,350~~ \$86,910, 8 7.5 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by the additions required under section 290.01, subdivision 19a, clauses (1) and (6), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1) and (6), and reduced by the amounts specified in section 290.01, subdivision 19b, clause (1).

EFFECTIVE DATE: This section is effective for taxable years beginning after December 31, 1999.

Sec. 6. Minnesota Statutes 1999 Supplement, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] (a) For taxable years beginning after December 31, ~~1999~~ 2000, the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage determined under paragraph (b). For the purpose of making the adjustment as provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets as they existed for taxable years beginning after December 31, ~~1998~~ 1999, and before January 1, ~~2000~~ 2001. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

(b) The commissioner shall adjust the rate brackets and by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) the word "~~1998~~" "1999" shall be substituted for the word "1992." For ~~2000~~ 2001, the commissioner shall then determine the percent change from the 12 months ending on August 31, 1998, to the 12 months ending on August 31, ~~1999~~ 2000, and in each subsequent year, from the 12 months ending on August 31, ~~1998~~ 1999, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be subject to the Administrative Procedure Act contained in chapter 14.

No later than December 15 of each year, the commissioner shall announce the specific percentage that will be used to adjust the tax rate brackets.

EFFECTIVE DATE: This section is effective for taxable years beginning after December 31, 2000."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Runbeck then moved to amend the Runbeck amendment to S.F. No. 2657 as follows:

Page 1, lines 13, 24, and 32, and delete "6.75" and insert "6.5"

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

The question was taken on the adoption of the Runbeck amendment, as amended.

The roll was called, and there were yeas 23 and nays 37, as follows:

Those who voted in the affirmative were:

Belanger	Kierlin	Lesewski	Robertson	Terwilliger
Berg	Kiscaden	Limmer	Robling	Wiger
Day	Kleis	Oliver	Runbeck	Ziegler
Dille	Knutson	Ourada	Scheevel	
Fischbach	Larson	Pariseau	Stevens	

Those who voted in the negative were:

Anderson	Hottinger	Lessard	Pappas	Scheid
Berglin	Janezich	Lourey	Piper	Spear
Betzold	Johnson, D.H.	Marty	Pogemiller	Stumpf
Cohen	Johnson, D.J.	Metzen	Price	Vickerman
Flynn	Kelley, S.P.	Moe, R.D.	Ranum	Wiener
Foley	Kinkel	Murphy	Ring	
Frederickson	Krentz	Neuville	Sams	
Higgins	Langseth	Novak	Samuelson	

The motion did not prevail. So the amendment, as amended, was not adopted.

Senator Pariseau moved to amend S.F. No. 2657 as follows:

Pages 58 to 60, delete section 7 and insert:

"Sec. 7. Minnesota Statutes 1998, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by; the following governmental entities are exempt:

(1) the United States and its agencies and instrumentalities;

(2) the University of Minnesota, state universities, community colleges, technical colleges, state academies, and the Lola and Rudy Perpich Minnesota center for arts education, an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools, school districts;

(3) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the legislative reference library are exempt; and

(4) political subdivisions of a state and their agencies and instrumentalities.

As used in this subdivision, "school districts" means ~~public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, including, without limitation, school districts, intermediate school districts, education districts, service cooperatives, secondary vocational cooperative centers, special education cooperatives, joint purchasing cooperatives,~~

~~telecommunication cooperatives, regional management information centers, and any instrumentality of a school district, as defined in section 471.59.~~

Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, paragraph (f).

~~Sales to hospitals and nursing homes owned and operated by political subdivisions of the state are exempt under this subdivision.~~

~~Sales of supplies and equipment used in the operation of an ambulance service owned and operated by a political subdivision of the state are exempt under this subdivision provided that the supplies and equipment are used in the course of providing medical care. Sales to a political subdivision of repair and replacement parts for emergency rescue vehicles and fire trucks and apparatus are exempt under this subdivision.~~

~~Sales to a political subdivision of machinery and equipment, except for motor vehicles, used directly for mixed municipal solid waste management services at a solid waste disposal facility as defined in section 115A.03, subdivision 10, are exempt under this subdivision.~~

~~Sales to political subdivisions of chore and homemaking services to be provided to elderly or disabled individuals are exempt.~~

~~Sales to a town of gravel and of machinery, equipment, and accessories, except motor vehicles, used exclusively for road and bridge maintenance, and leases of motor vehicles exempt from tax under section 297B.03, clause (10), are exempt.~~

Sales of telephone services to the department of administration that are used to provide telecommunications services through the intertechnologies revolving fund are exempt under this subdivision.

This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility, except for facilities the construction materials of which are exempt under subdivision 65. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities.

This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for:

- (1) leases entered into by the United States or its agencies or instrumentalities; and
- (2) leases entered into by a political subdivision of motor vehicles exempt from tax under chapter 297B.

~~The tax imposed on sales to political subdivisions of the state under this section applies to all political subdivisions other than those explicitly exempted under this subdivision, notwithstanding section 115A.69, subdivision 6, 116A.25, 360.035, 458A.09, 458A.30, 458D.23, 469.101, subdivision 2, 469.127, 473.448, 473.545, or 473.608 or any other law to the contrary enacted before 1992.~~

Sales exempted by this subdivision include sales made to other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state, but do not include sales under section 297A.01, subdivision 3, paragraphs (c) and (e).

EFFECTIVE DATE: This section is effective for sales after June 30, 2000."

Page 63, after line 1, insert:

"Sec. 12. Minnesota Statutes 1998, section 297A.47, is amended to read:

297A.47 [REPORTING OF SALES TAX ON MINNESOTA GOVERNMENTS.]

The commissioner shall estimate the amount of revenues derived from imposing the tax under this chapter and chapter 297B on state agencies and political subdivisions for each fiscal year and shall report this amount to the commissioner of finance before the time for filing reports for the fiscal year with the United States Department of Commerce. The commissioner of finance in reporting the sales tax and sales tax on motor vehicles collections to the United States Department of Commerce shall exclude this amount from the sales and motor vehicle collections. ~~Sales tax and Sales tax on motor vehicles revenues received from political subdivisions must be reported as intergovernmental grants or similar intergovernmental revenue.~~ The amount of the sales tax and sales tax on motor vehicles paid by state agencies must be reported as reduced state expenditures.

EFFECTIVE DATE: This section is effective for sales after June 30, 2000."

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 30 and nays 35, as follows:

Those who voted in the affirmative were:

Belanger	Kierlin	Lesewski	Pariseau	Samuelson
Berg	Kiscaden	Limmer	Ring	Scheevel
Day	Kleis	Neuville	Robertson	Stevens
Dille	Knutson	Oliver	Robling	Terwilliger
Fischbach	Laidig	Olson	Runbeck	Wiger
Frederickson	Larson	Ourada	Sams	Ziegler

Those who voted in the negative were:

Anderson	Higgins	Kinkel	Moe, R.D.	Ranum
Berglin	Hottinger	Krentz	Murphy	Scheid
Betzold	Janezich	Langseth	Novak	Solon
Cohen	Johnson, D.H.	Lessard	Pappas	Spear
Flynn	Johnson, D.J.	Lourey	Piper	Stumpf
Foley	Kelley, S.P.	Marty	Pogemiller	Vickerman
Hanson	Kelly, R.C.	Metzen	Price	Wiener

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

Senator Novak moved to amend S.F. No. 2657 as follows:

Page 87, after line 27, insert:

"Sec. 7. Minnesota Statutes 1999 Supplement, section 273.11, subdivision 1a, is amended to read:

Subd. 1a. [LIMITED MARKET VALUE.] ~~In the case of all property classified as agricultural homestead or nonhomestead, residential homestead or nonhomestead, or noncommercial seasonal recreational residential, the assessor shall compare the value with that determined in the preceding assessment. The amount of the increase entered in the current assessment shall not exceed the greater of (1) 8.5 percent of the value in the preceding assessment, or (2) 15 percent of the difference between the current assessment and the preceding assessment. (a) Property classified under section 273.13 may not have a market value for property tax purposes greater than the sum of:~~

(1) its estimated market value for the previous assessment year or, if applicable, its limited market value for the previous assessment year, plus

(2) an amount obtained by multiplying the market value in clause (1) by five percent. This limitation shall does not apply to increases in value due to improvements. For purposes of this subdivision, the term "assessment" "market value" means the value prior to any exclusion under subdivision 16.

~~The provisions of this subdivision shall be in effect only through assessment year 2001.~~

(b) For the first assessment year after the sale or conveyance of property for which the assessor's estimated market value is greater than the market value determined under this subdivision, the value of the property for property tax purposes must be increased to the assessor's estimated market value.

(c) For purposes of the assessment/sales ratio study conducted under section 127A.48, and the computation of state aids paid under chapters 122A, 123A, 123B, 124D, 125A, 126C, 127A, and 477A, market values and net tax capacities determined under this subdivision and subdivision 16, shall be used.

EFFECTIVE DATE: This section is effective for taxes levied in 2000, payable in 2001, and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Ranum moved to amend the Novak amendment to S.F. No. 2657 as follows:

Page 1, lines 24 and 25, reinstate the stricken language

Page 2, delete line 1 and insert "in 2000 and 2001, payable in 2001 and 2002 only."

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

The question was taken on the adoption of the Novak amendment.

The roll was called, and there were yeas 24 and nays 38, as follows:

Those who voted in the affirmative were:

Day	Krentz	Neuville	Pariseau	Stevens
Fischbach	Laidig	Novak	Runbeck	Terwilliger
Johnson, D.J.	Larson	Oliver	Sams	Wiger
Kleis	Limmer	Olson	Samuelson	Ziegler
Knutson	Metzen	Ourada	Scheevel	

Those who voted in the negative were:

Anderson	Foley	Kierlin	Murphy	Scheid
Belanger	Frederickson	Kinkel	Pappas	Solon
Berg	Higgins	Kiscaden	Piper	Spear
Berglin	Hottinger	Langseth	Pogemiller	Stumpf
Betzold	Janezich	Lesewski	Ranum	Vickerman
Cohen	Johnson, D.H.	Lessard	Ring	Wiener
Dille	Kelley, S.P.	Lourey	Robertson	
Flynn	Kelly, R.C.	Marty	Robling	

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

Senator Wiener moved to amend S.F. No. 2657 as follows:

Pages 73 to 76, delete sections 4 to 6

Pages 105 and 106, delete section 12 and insert:

"Sec. 12. Minnesota Statutes 1999 Supplement, section 273.1382, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION CREDIT TAX RATE.] Each year, the respective county auditors shall determine the initial tax rate for each school district for the general education levy certified under section 126C.13, subdivision 2 or 3. That rate plus the school district's general education homestead credit tax rate adjustment under section 275.08, subdivision 1e, shall be the general education credit tax rate for the district.

EFFECTIVE DATE: This section is effective for taxes payable in 2001 and thereafter.

Sec. 13. Minnesota Statutes 1999 Supplement, section 273.1382, subdivision 1a, is amended to read:

Subd. 1a. [~~GENERAL EDUCATION HOMESTEAD CREDIT.~~] Each county auditor shall determine a ~~general education homestead~~ credit for each homestead within the county equal to ~~66.2 percent for taxes payable in 1999 and 83 percent for taxes payable in 2000 and thereafter of the general education credit tax rate times the net tax capacity of the homestead for the taxes payable year.~~ The amount of general education ~~homestead~~ credit for a homestead or seasonal recreational property may not exceed \$320 for taxes payable in 1999 and \$390 for taxes payable in 2000 and thereafter. In the case of an agricultural homestead, only the net tax capacity of the house, garage, and surrounding one acre of land shall be used in determining the property's ~~general education homestead~~ credit.

EFFECTIVE DATE: This section is effective for taxes payable in 2001 and thereafter."

Page 106, after line 12, insert:

"Sec. 15. Minnesota Statutes 1999 Supplement, section 273.1382, is amended by adding a subdivision to read:

Subd. 1c. [~~SEASONAL RECREATIONAL PROPERTY.~~] Property classified as class 4c noncommercial seasonal residential recreational under section 273.13, subdivision 25, is eligible to receive the same benefits as property under subdivision 1. Contiguous parcels of noncommercial seasonal residential recreational property owned by the same person or entity must be treated as a single property for purposes of this section.

EFFECTIVE DATE: This section is effective for taxes payable in 2001 and thereafter."

Page 121, after line 10, insert:

"Sec. 27. Minnesota Statutes 1998, section 275.08, subdivision 1e, is amended to read:

Subd. 1e. [~~GENERAL EDUCATION HOMESTEAD CREDIT TAX RATE ADJUSTMENT.~~] The amounts certified under section 126C.48, subdivision 1, paragraph (b), shall be divided by the total net tax capacity of all taxable properties within a school district's taxing jurisdiction. The resulting ratio is a school district's ~~general education homestead~~ credit tax rate adjustment.

EFFECTIVE DATE: This section is effective for taxes payable in 2001 and thereafter."

Reorder the sections in sequence and correct the internal references

Amend the title accordingly

Senator Frederickson requested division of the Wiener amendment.

First portion:

Page 105, after line 33, insert:

"Sec. 12. Minnesota Statutes 1999 Supplement, section 273.1382, subdivision 1, is amended to read:

Subdivision 1. [~~GENERAL EDUCATION CREDIT TAX RATE.~~] Each year, the respective county auditors shall determine the initial tax rate for each school district for the general education levy certified under section 126C.13, subdivision 2 or 3. That rate plus the school district's ~~general education homestead~~ credit tax rate adjustment under section 275.08, subdivision 1e, shall be the general education credit tax rate for the district.

EFFECTIVE DATE: This section is effective for taxes payable in 2001 and thereafter.

Sec. 13. Minnesota Statutes 1999 Supplement, section 273.1382, subdivision 1a, is amended to read:

Subd. 1a. [GENERAL EDUCATION HOMESTEAD CREDIT.] Each county auditor shall determine a general education homestead credit for each homestead within the county equal to 66.2 percent for taxes payable in 1999 and 83 percent for taxes payable in 2000 and thereafter of the general education credit tax rate times the net tax capacity of the homestead for the taxes payable year. The amount of general education homestead credit for a homestead or seasonal recreational property may not exceed \$320 for taxes payable in 1999 and \$390 for taxes payable in 2000 and thereafter. In the case of an agricultural homestead, only the net tax capacity of the house, garage, and surrounding one acre of land shall be used in determining the property's general education homestead credit.

EFFECTIVE DATE: This section is effective for taxes payable in 2001 and thereafter."

Page 106, after line 12, insert:

"Sec. 15. Minnesota Statutes 1999 Supplement, section 273.1382, is amended by adding a subdivision to read:

Subd. 1c. [SEASONAL RECREATIONAL PROPERTY.] Property classified as class 4c noncommercial seasonal residential recreational under section 273.13, subdivision 25, is eligible to receive the same benefits as property under subdivision 1. Contiguous parcels of noncommercial seasonal residential recreational property owned by the same person or entity must be treated as a single property for purposes of this section.

EFFECTIVE DATE: This section is effective for taxes payable in 2001 and thereafter."

Page 121, after line 10, insert:

"Sec. 27. Minnesota Statutes 1998, section 275.08, subdivision 1e, is amended to read:

Subd. 1e. [GENERAL EDUCATION HOMESTEAD CREDIT TAX RATE ADJUSTMENT.] The amounts certified under section 126C.48, subdivision 1, paragraph (b), shall be divided by the total net tax capacity of all taxable properties within a school district's taxing jurisdiction. The resulting ratio is a school district's general education homestead credit tax rate adjustment.

EFFECTIVE DATE: This section is effective for taxes payable in 2001 and thereafter."

Reorder the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the Wiener amendment. The motion did not prevail. So the amendment was not adopted.

Senator Wiener withdrew the remainder of her amendment.

Senator Oliver moved to amend S.F. No. 2657 as follows:

Pages 66 to 69, delete section 1 and insert:

"Section 1. [16A.78] [MINNESOTACARE SUBSIDIZED HEALTH INSURANCE ACCOUNT.]

(a) A MinnesotaCare subsidized health insurance account is established in the general fund.

(b) Beginning with the payment due December 31, 2003, the commissioner shall credit to the account the ongoing tobacco settlement payments received by the state each December as a result of the settlement of the lawsuit styled as State v. Philip Morris Inc., No. C1-94-8565 (Minnesota District Court, Second Judicial District) and the entire balance of the health care access fund.

(c) Money in the account is available for and may only be spent for expenditures associated with the MinnesotaCare subsidized health insurance program.

(d) The balance in the account does not cancel and remains in the account until appropriated by law for the purposes described in this section.

(e) Notwithstanding section 11A.20, investment earnings on the account are credited to the account.

(f) Effective July 1, 2003, all programs formerly funded out of the health care access fund, other than the MinnesotaCare subsidized health insurance program, shall be funded out of the general fund.

EFFECTIVE DATE: This section is effective July 1, 2003.

Sec. 2. Minnesota Statutes 1998, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 1, June 1, and December 1 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies, domestic mutual insurance companies, marine insurance companies, health maintenance organizations, community integrated service networks, and nonprofit health service plan corporations, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. Except as provided in paragraphs (d), (e), (h), and (i), installments must be based on a sum equal to two percent of the premiums described in paragraph (b).

(b) Installments under paragraph (a), (d), or (e) are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year.

(c) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section, unless the total tax for the current tax year is \$500 or less.

(d) For health maintenance organizations, nonprofit health service plan corporations, and community integrated service networks, the installments must be based on an amount determined under paragraph (h) or (i), or (k).

(e) For purposes of computing installments for town and farmers' mutual insurance companies and for mutual property casualty companies with total assets on December 31, 1989, of \$1,600,000,000 or less, the following rates apply:

(1) for all life insurance, two percent;

(2) for town and farmers' mutual insurance companies and for mutual property and casualty companies with total assets of \$5,000,000 or less, on all other coverages, one percent; and

(3) for mutual property and casualty companies with total assets on December 31, 1989, of \$1,600,000,000 or less, on all other coverages, 1.26 percent.

(f) If the aggregate amount of premium tax payments under this section and the fire marshal tax payments under section 299F.21 made during a calendar year is equal to or exceeds \$120,000, all tax payments in the subsequent calendar year must be paid by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the payment is due. If the date the payment is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the payment is due.

(g) Premiums under medical assistance, general assistance medical care, the MinnesotaCare program, and the Minnesota comprehensive health insurance plan and all payments, revenues, and reimbursements received from the federal government for Medicare-related coverage as defined in section 62A.31, subdivision 3, paragraph (e), are not subject to tax under this section.

(h) For calendar years 1997, 1998, and 1999, the installments for health maintenance organizations, community integrated service networks, and nonprofit health service plan

corporations must be based on an amount equal to one percent of premiums described under paragraph (b). Health maintenance organizations, community integrated service networks, and nonprofit health service plan corporations that have met the cost containment goals established under section 62J.04 in the individual and small employer market for calendar year 1996 are exempt from payment of the tax imposed under this section for premiums paid after March 30, 1997, and before April 1, 1998. Health maintenance organizations, community integrated service networks, and nonprofit health service plan corporations that have met the cost containment goals established under section 62J.04 in the individual and small employer market for calendar year 1997 are exempt from payment of the tax imposed under this section for premiums paid after March 30, 1998, and before April 1, 1999. Health maintenance organizations, community integrated service networks, and nonprofit health service plan corporations that have met the cost containment goals established under section 62J.04 in the individual and small employer market for calendar year 1998 are exempt from payment of the tax imposed under this section for premiums paid after March 30, 1999, and before January 1, 2000.

(i) Health maintenance organizations, community integrated service networks, and nonprofit health service plan corporations are exempt from the tax imposed under this section on premiums received in calendar years 2000 to 2003.

~~(j)~~ (j) For calendar years after 1999 year 2000, the commissioner of finance shall determine the balance of the health care access fund on September 1 of each year beginning September 1, 1999. If the commissioner determines that there is no structural deficit for the next fiscal year, no tax shall be imposed under paragraph (d) for the following calendar year. If the commissioner determines that there will be a structural deficit in the fund for the following fiscal year, then the commissioner, in consultation with the commissioner of revenue, shall determine the amount needed to eliminate the structural deficit and a tax shall be imposed under paragraph (d) for the following calendar year. The commissioner shall determine the rate of the tax as either one-quarter of one percent, one-half of one percent, three-quarters of one percent, or one percent of premiums described in paragraph (b), whichever is the lowest of those rates that the commissioner determines will produce sufficient revenue to eliminate the projected structural deficit. The commissioner of finance shall publish in the State Register by October 1 of each year the amount of tax to be imposed for the following calendar year. In determining the structural balance of the health care access fund for fiscal years 2000 and 2001, the commissioner shall disregard the transfer amount from the health care access fund to the general fund for expenditures associated with the services provided to pregnant women and children under the age of two enrolled in the MinnesotaCare program.

~~(k)~~ (k) In approving the premium rates as required in sections 62L.08, subdivision 8, and 62A.65, subdivision 3, the commissioners of health and commerce shall ensure that any exemption from the tax as described in paragraphs (h) and (i) is reflected in the premium rate.

(l) The commissioner of finance shall establish premium tax rates under paragraph (d) for calendar years beginning on or after January 1, 2004, based upon determinations made by the commissioner regarding the balance of the MinnesotaCare subsidized health insurance account. The commissioner of finance shall, on September 1 of each year, beginning September 1, 2003, determine the balance of the MinnesotaCare subsidized health insurance account for the fiscal year that begins the following July 1. If the commissioner determines on September 1 that there is no deficit for the following fiscal year, no tax shall be imposed under paragraph (d) for the calendar year that begins immediately following that September 1. If the commissioner determines on September 1 that there will be a deficit in the account for the following fiscal year, then the commissioner, in consultation with the commissioner of revenue, shall determine the amount needed to eliminate the deficit and a tax shall be imposed under paragraph (d) for the calendar year that begins immediately following that September 1. The commissioner shall determine the rate of the tax as either one-quarter of one percent, one-half of one percent, three-quarters of one percent, or one percent of the premiums described in paragraph (b), whichever is the lowest of those rates that the commissioner determines will produce sufficient revenue to eliminate the projected deficit. The commissioner of finance shall publish in the State Register by October 1 of each year, beginning October 1, 2003, the amount of tax to be imposed for the following calendar year. In determining the balance of the MinnesotaCare subsidized health insurance account under

this paragraph, the commissioner of finance shall not count revenues resulting from any increase in taxes under section 295.52.

Sec. 3. [62Q.48] [PASS-THROUGH OF SAVINGS TO PURCHASERS.]

Subdivision 1. [PREMIUMS TO REFLECT SAVINGS.] Health plan company premium rates must reflect all savings resulting from:

(1) the contingent elimination of the MinnesotaCare provider taxes under section 295.52, subdivision 8, and the resulting reduction in the transfer of additional expenses generated by section 295.52 obligations to third party contracts under section 295.582; and

(2) the contingent elimination of the tax on nonprofit health plan company premiums under section 60A.15, subdivision 1, paragraph (i).

Subd. 2. [DOCUMENTING COMPLIANCE.] Each health plan company shall annually submit documentation indicating compliance with subdivision 1 to the appropriate commissioner.

Subd. 3. [ENFORCEMENT.] If the appropriate commissioner finds that a health plan company has not complied with subdivision 1, the commissioner may take enforcement action against that health plan company. The commissioner may, by order, require premium rate reductions, fine or censure the health plan company, or revoke or suspend the certificate of authority or license of the health plan company to do business in this state, if the commissioner finds that the health plan company has not complied with this section. The health plan company may appeal the commissioner's order through a contested case hearing in accordance with chapter 14."

Page 70, after line 19, insert:

"Sec. 5. Minnesota Statutes 1999 Supplement, section 295.52, subdivision 7, is amended to read:

Subd. 7. [TAX REDUCTION.] Notwithstanding subdivisions 1, 1a, 2, 3, and 4, the tax imposed under this section equals for calendar years 1998, 1999, and 2000, ~~and 2001~~, 1.5 percent of the gross revenues received on or after January 1, 1998, ~~and before January 1, 2002~~ 2004.

Sec. 6. Minnesota Statutes 1998, section 295.52, is amended by adding a subdivision to read:

Subd. 8. [CONTINGENT ELIMINATION OF TAX.] The commissioner shall establish tax rates for calendar years beginning on or after January 1, 2004, based upon determinations made by the commissioner of finance regarding the balance of the health care access fund. The commissioner of finance shall, on September 1 of each year, beginning September 1, 2003, determine the balance of the MinnesotaCare subsidized health insurance account for the fiscal year that begins the following July 1. If the commissioner of finance determines on September 1 that there is no deficit for the following fiscal year, no taxes shall be imposed under subdivisions 1, 1a, 2, 3, and 4, for the calendar year that begins immediately following that September 1. If the commissioner of finance determines on September 1 that there will be a deficit in the account for the following fiscal year, then the commissioner, in consultation with the commissioner of finance, shall determine the amount needed to eliminate the deficit and shall impose taxes under subdivisions 1, 1a, 2, 3, and 4 for the calendar year that begins immediately following that September 1. The commissioner shall determine the rate of the tax to the nearest one-quarter of one percent up to two percent, using the lowest of the rates that the commissioner determines will produce sufficient revenue to eliminate the projected deficit. The commissioner shall publish in the State Register by October 1 of each year, beginning October 1, 2003, the amount of the tax to be imposed for the following calendar year. In determining the balance of the account under this subdivision, the commissioner of finance shall count revenues resulting from any increase in the one percent premium tax under section 60A.15, subdivision 1, paragraphs (d), (h), (i), and (k)."

Reorder 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 30 and nays 35, as follows:

Those who voted in the affirmative were:

Belanger	Kierlin	Lesewski	Ourada	Samuelson
Berg	Kiscaden	Lessard	Pariseau	Scheevel
Day	Kleis	Limmer	Robertson	Stevens
Dille	Knutson	Neuville	Robling	Terwilliger
Fischbach	Laidig	Oliver	Runbeck	Wiger
Frederickson	Larson	Olson	Sams	Ziegler

Those who voted in the negative were:

Anderson	Higgins	Kinkel	Murphy	Ring
Berglin	Hottinger	Krentz	Novak	Scheid
Betzold	Janezich	Langseth	Pappas	Solon
Cohen	Johnson, D.H.	Lourey	Piper	Spear
Flynn	Johnson, D.J.	Marty	Pogemiller	Stumpf
Foley	Kelley, S.P.	Metzen	Price	Vickerman
Hanson	Kelly, R.C.	Moe, R.D.	Ranum	Wiener

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

Senator Olson moved to amend S.F. No. 2657 as follows:

Page 53, line 14, after "shrubs" insert ", flowering or ornamental plants, including nursery stock"

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

Senator Lesewski moved to amend S.F. No. 2657 as follows:

Page 47, after line 4, insert:

"Section 1. Minnesota Statutes 1999 Supplement, section 289A.18, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX RETURNS.] (a) Sales and use tax returns must be filed on or before the 20th day of the month following the close of the preceding reporting period, except that annual use tax returns provided for under section 289A.11, subdivision 1, must be filed by April 15 following the close of the calendar year, in the case of individuals. Annual use tax returns of businesses, including sole proprietorships, and annual sales tax returns must be filed by February 5 following the close of the calendar year.

(b) ~~Except for the return for the June reporting period, which is due on the following August 25,~~ Returns filed by retailers required to remit liabilities by means of funds transfer under section 289A.20, subdivision 4, paragraph (d) (b), are due on or before the 25th day of the month following the close of the preceding reporting period.

(c) If a retailer has an average sales and use tax liability, including local sales and use taxes administered by the commissioner, equal to or less than \$500 per month in any quarter of a calendar year, and has substantially complied with the tax laws during the preceding four calendar quarters, the retailer may request authorization to file and pay the taxes quarterly in subsequent calendar quarters. The authorization remains in effect during the period in which the retailer's quarterly returns reflect sales and use tax liabilities of less than \$1,500 and there is continued compliance with state tax laws.

(d) If a retailer has an average sales and use tax liability, including local sales and use taxes administered by the commissioner, equal to or less than \$100 per month during a calendar year, and has substantially complied with the tax laws during that period, the retailer may request authorization to file and pay the taxes annually in subsequent years. The authorization remains in effect during the period in which the retailer's annual returns reflect sales and use tax liabilities of less than \$1,200 and there is continued compliance with state tax laws.

(e) The commissioner may also grant quarterly or annual filing and payment authorizations to retailers if the commissioner concludes that the retailers' future tax liabilities will be less than the monthly totals identified in paragraphs (c) and (d). An authorization granted under this paragraph is subject to the same conditions as an authorization granted under paragraphs (c) and (d).

(f) A taxpayer who is a materials supplier may report gross receipts either on:

- (1) the cash basis as the consideration is received; or
- (2) the accrual basis as sales are made.

As used in this paragraph, "materials supplier" means a person who provides materials for the improvement of real property; who is primarily engaged in the sale of lumber and building materials-related products to owners, contractors, subcontractors, repairers, or consumers; who is authorized to file a mechanics lien upon real property and improvements under chapter 514; and who files with the commissioner an election to file sales and use tax returns on the basis of this paragraph.

EFFECTIVE DATE: This section is effective for returns filed after December 31, 2000.

Sec. 2. Minnesota Statutes 1999 Supplement, section 289A.20, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX.] (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred, or following another reporting period as the commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph (f), except that use taxes due on an annual use tax return as provided under section 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

~~(b) A vendor having a liability of \$120,000 or more during a fiscal year ending June 30 must remit the June liability for the next year in the following manner:~~

~~(1) Two business days before June 30 of the year, the vendor must remit 75 percent of the estimated June liability to the commissioner.~~

~~(2) On or before August 14 of the year, the vendor must pay any additional amount of tax not remitted in June.~~

~~(e) A vendor having a liability of \$120,000 or more during a fiscal year ending June 30 must remit all liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the 14th day of the month following the month in which the taxable event occurred, or on or before the 14th day of the month following the month in which the sale is reported under section 289A.18, subdivision 4, except for 75 percent of the estimated June liability, which is due two business days before June 30. The remaining amount of the June liability is due on August 14. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.~~

~~(d) (c) If the vendor required to remit by electronic funds transfer as provided in paragraph (e) (b) is unable due to reasonable cause to determine the actual sales and use tax due on or before the due date for payment, the vendor may remit an estimate of the tax owed using one of the following options:~~

- (1) 100 percent of the tax reported on the previous month's sales and use tax return;
- (2) 100 percent of the tax reported on the sales and use tax return for the same month in the previous calendar year; or
- (3) 95 percent of the actual tax due.

Any additional amount of tax that is not remitted on or before the due date for payment, must be remitted with the return. If a vendor fails to remit the actual liability or does not remit using one of the estimate options by the due date for payment, the vendor must remit actual liability as provided in paragraph (e) (b) in all subsequent periods. ~~This paragraph does not apply to the June sales and use tax liability.~~

EFFECTIVE DATE: This section is effective for returns filed after December 31, 2000."

Page 81, after line 10, insert:

"Sec. 15. Minnesota Statutes 1998, section 297F.09, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY RETURN; CIGARETTE DISTRIBUTOR.] On or before the 18th day of each calendar month, a distributor with a place of business in this state shall file a return with the commissioner showing the quantity of cigarettes manufactured or brought in from outside the state or purchased during the preceding calendar month and the quantity of cigarettes sold or otherwise disposed of in this state and outside this state during that month. A licensed distributor outside this state shall in like manner file a return showing the quantity of cigarettes shipped or transported into this state during the preceding calendar month. Returns must be made in the form and manner prescribed by the commissioner and must contain any other information required by the commissioner. The return must be accompanied by a remittance for the full unpaid tax liability shown by it. ~~The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the tax is due.~~

EFFECTIVE DATE: This section is effective for returns filed after January 1, 2001.

Sec. 16. Minnesota Statutes 1998, section 297F.09, subdivision 2, is amended to read:

Subd. 2. [MONTHLY RETURN; TOBACCO PRODUCTS DISTRIBUTOR.] On or before the 18th day of each calendar month, a distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product:

(1) brought, or caused to be brought, into this state for sale; and

(2) made, manufactured, or fabricated in this state for sale in this state, during the preceding calendar month.

Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns must be made in the form and manner prescribed by the commissioner and must contain any other information required by the commissioner. The return must be accompanied by a remittance for the full tax liability shown, less 1.5 percent of the liability as compensation to reimburse the distributor for expenses incurred in the administration of this chapter. ~~The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the tax is due.~~

EFFECTIVE DATE: This section is effective for returns filed after January 1, 2001."

Page 83, after line 34, insert:

"Sec. 19. [REPEALER.]

Minnesota Statutes 1998, sections 289A.60, subdivision 15; 297F.09, subdivision 6; and 297G.09, subdivision 5, are repealed.

EFFECTIVE DATE: This section is effective for returns filed after January 1, 2001."

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 25 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Kiscaden	Lesewski	Olson	Scheevel
Day	Kleis	Lessard	Ourada	Solon
Fischbach	Knutson	Limmer	Pariseau	Stevens
Frederickson	Laidig	Neuville	Robling	Terwilliger
Kierlin	Larson	Oliver	Runbeck	Ziegler

Those who voted in the negative were:

Anderson	Hottinger	Kinkel	Novak	Samuelson
Berglin	Janezich	Krentz	Pappas	Scheid
Betzold	Johnson, D.E.	Langseth	Piper	Spear
Cohen	Johnson, D.H.	Lourey	Pogemiller	Stumpf
Flynn	Johnson, D.J.	Marty	Price	Vickerman
Foley	Junge	Metzen	Ranum	Wiener
Hanson	Kelley, S.P.	Moe, R.D.	Ring	Wiger
Higgins	Kelly, R.C.	Murphy	Sams	

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

Senator Hottinger moved to amend S.F. No. 2657 as follows:

Page 28, after line 5, insert:

"Sec. 5. Minnesota Statutes 1998, section 290.0673, subdivision 8, is amended to read:

Subd. 8. [EXPIRATION.] This section expires effective for taxable years beginning after December 31, ~~2001~~ 2002."

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Hottinger then moved to amend S.F. No. 2657 as follows:

Page 156, after line 31, insert:

"Sec. 2. Minnesota Statutes 1998, section 273.1399, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Qualifying captured net tax capacity" means the following amounts:

(1) The captured net tax capacity of a new or the expanded part of an existing economic development tax increment financing district, for which certification was requested after April 30, 1990.

(2) The captured net tax capacity of a new or the expanded part of an existing tax increment financing district, other than an economic development district, for which certification was requested after April 30, 1990, multiplied by the following percentage based on the number of years that have elapsed since the assessment year of the original net tax capacity. In no case may the final amounts be less than zero or greater than the total captured net tax capacity of the district.

Number of years	Renewal and Renovation Districts	All other Districts
0 to 5	0	0
6	12.5	6.25

7	25	12.5
8	37.5	18.75
9	50	25
10	62.5	31.25
11	75	37.5
12	87.5	43.75
13	100	50
14	100	56.25
15	100	62.5
16	100	68.75
17	100	75
18	100	81.25
19	100	87.5
20	100	93.75
21 or more	100	100

(3) The following rules apply to a hazardous substance subdistrict. The applicable percentage under clause (2) must be determined under the "all other districts" category. The number of years must be measured from the date of certification of the subdistrict for purposes of the additional captured net tax capacity resulting from the reduction in the subdistrict's or site's original net tax capacity. After termination of the overlying district, captured net tax capacity includes the full amount that is captured by the subdistrict.

(4) Qualified captured tax capacity does not include the captured tax capacity of exempt districts under subdivisions 6 and 7.

(b) The terms defined in section 469.174 have the meanings given in that section.

(c) "Qualified housing district" means:

(1) a housing district for a residential rental project or projects in which the only properties receiving assistance from revenues derived from tax increments from the district meet all of the requirements for a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1992, regardless of whether the project actually receives a low-income housing credit; or

(2) a housing district for a single family home ownership project or projects in which at least 95 percent of the home purchasers have incomes that do not exceed 70 percent of the area median gross income for a family of four.

EFFECTIVE DATE: This section is effective the day following final enactment, and applies to all districts that are subject to the underlying law."

Renumber the sections in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Senator Samuelson moved to amend S.F. No. 2657 as follows:

Page 87, after line 27, insert:

"Sec. 7. Minnesota Statutes 1998, section 273.11, subdivision 14, is amended to read:

Subd. 14. [VACANT LAND PLATTED ON OR AFTER AUGUST 1, 1991, AND BEFORE AUGUST 1, 2000.] (a) All land platted on or after August 1, 1991, and before August 1, 2000, and not improved with a permanent structure, shall be assessed as provided in this subdivision. The assessor shall determine the market value of each individual lot based upon the highest and best use of the property as unplatted land. In establishing the market value of the property, the assessor shall consider the sale price of the unplatted land or comparable sales of unplatted land of similar use and similar availability of public utilities.

(b) The market value determined in paragraph (a) shall be increased as follows for each of the three assessment years immediately following the final approval of the plat: one-third of the difference between the property's unplatted market value as determined under paragraph (a) and the market value based upon the highest and best use of the land as platted property shall be added in each of the three subsequent assessment years.

(c) Any increase in market value after the first assessment year following the plat's final approval shall be added to the property's market value in the next assessment year. Notwithstanding paragraph (b), if construction begins before the expiration of the three years in paragraph (b), that lot shall be eligible for revaluation in the next assessment year. The market value of a platted lot determined under this subdivision shall not exceed the value of that lot based upon the highest and best use of the property as platted land.

EFFECTIVE DATE: This section is effective for land platted after July 31, 2000.

Sec. 8. Minnesota Statutes 1998, section 273.11, is amended by adding a subdivision to read:

Subd. 14a. [VACANT LAND PLATTED ON OR AFTER AUGUST 1, 2000.] (a) All land platted on or after August 1, 2000, and not improved with a permanent structure, shall be assessed as provided in this subdivision. The assessor shall determine the market value of each individual lot based upon the highest and best use of the property as unplatted land. In establishing the market value of the property, the assessor shall consider the sale price of the unplatted land or comparable sales of unplatted land of similar use and similar availability of public utilities.

(b) The market value determined in paragraph (a) shall be increased as follows for each of the six assessment years immediately following the final approval of the plat: one-sixth of the difference between the property's unplatted market value as determined under paragraph (a) and the market value based upon the highest and best use of the land as platted property shall be added in each of the six subsequent assessment years.

(c) Any increase in market value after the first assessment year following the plat's final approval shall be added to the property's market value in the next assessment year. Notwithstanding paragraph (b), if construction begins before the expiration of the six years in paragraph (b), that lot shall be eligible for revaluation in the next assessment year. The market value of a platted lot determined under this subdivision shall not exceed the value of that lot based upon the highest and best use of the property as platted land.

EFFECTIVE DATE: This section is effective for land platted after July 31, 2000."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Oliver moved to amend S.F. No. 2657 as follows:

Page 123, after line 9, insert:

"Sec. 27. Minnesota Statutes 1998, section 290A.04, is amended by adding a subdivision to read:

Subd. 2k. [ADDITIONAL REFUND.] A claimant who is a homeowner is allowed a refund 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 refund 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 \$30,000. This amount must be adjusted annually beginning with refunds based on property taxes payable in 2002 according to the previous year's inflation adjustment under subdivision 4. The commissioner of

revenue may require claimants to certify eligibility for the refund 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.

EFFECTIVE DATE: This section is effective for property tax refunds based on property taxes payable in 2001 and thereafter.

Sec. 28. Minnesota Statutes 1998, section 290A.23, subdivision 3, is amended to read:

Subd. 3. [ANNUAL APPROPRIATION.] ~~For payments made after July 1, 1996,~~ There is annually appropriated from the general fund to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivisions 2 ~~and~~ 2h, and 2k.

EFFECTIVE DATE: This section is effective for property tax refunds based on property taxes payable in 2001 and thereafter."

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 30 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Larson	Olson	Samuelson
Belanger	Kierlin	Lesewski	Ourada	Scheevel
Berg	Kiscaden	Limmer	Pariseau	Stevens
Day	Kleis	Metzen	Robertson	Terwilliger
Dille	Knutson	Neuville	Robling	Wiger
Fischbach	Laidig	Oliver	Sams	Ziegler

Those who voted in the negative were:

Berglin	Hottinger	Kelly, R.C.	Pappas	Solon
Betzold	Janezich	Kinkel	Piper	Spear
Cohen	Johnson, D.E.	Krentz	Pogemiller	Stumpf
Flynn	Johnson, D.H.	Langseth	Price	Vickerman
Foley	Johnson, D.J.	Lessard	Ranum	Wiener
Hanson	Junge	Lourey	Ring	
Higgins	Kelley, S.P.	Murphy	Scheid	

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

Senator Kleis moved to amend S.F. No. 2657 as follows:

Page 23, after line 36, insert:

"Sec. 2. Minnesota Statutes 1998, section 289A.56, subdivision 2, is amended to read:

Subd. 2. [CORPORATE FRANCHISE, MINING COMPANY, INDIVIDUAL AND FIDUCIARY INCOME, AND ENTERTAINER TAX OVERPAYMENTS.] Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the prepayment of tax made by withholding of tax at the source or payment of estimated tax before the due date is considered paid on the last day prescribed by law for the payment of the tax by the taxpayer. A return filed before the due date is considered as filed on the due date.

When the amount of tax withheld at the source or paid as estimated tax or allowable as other refundable credits, or withheld from compensation of entertainers, exceeds the tax shown on the original return by \$10, the amount refunded bears interest from 90 days, or, in the case of individual income taxes, 30 days, after (1) the due date of the return of the taxpayer, or (2) the date on which the original return is filed, whichever is later, until the date the refund is paid to the

taxpayer. Where the amount to be refunded is less than \$10, no interest is paid. However, to the extent that the basis for the refund is a net operating loss carryback, interest is computed only from the end of the taxable year in which the loss occurs.

EFFECTIVE DATE: This section is effective for returns due after December 31, 2000."

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 61 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Laidig	Pappas	Solon
Belanger	Johnson, D.E.	Larson	Pariseau	Spear
Berg	Johnson, D.H.	Lesewski	Piper	Stevens
Berglin	Johnson, D.J.	Lessard	Pogemiller	Stumpf
Betzold	Junge	Limmer	Price	Terwilliger
Cohen	Kelley, S.P.	Lourey	Ranum	Vickerman
Day	Kelly, R.C.	Metzen	Ring	Wiener
Dille	Kierlin	Moe, R.D.	Robertson	Wiger
Fischbach	Kinkel	Neuville	Robling	Ziegler
Foley	Kiscaden	Novak	Sams	
Frederickson	Kleis	Oliver	Samuelson	
Higgins	Knutson	Olson	Scheevel	
Hottinger	Krentz	Ourada	Scheid	

Those who voted in the negative were:

Flynn Murphy

The motion prevailed. So the amendment was adopted.

Senator Kiscaden moved to amend S.F. No. 2657 as follows:

Page 63, after line 1, insert:

"Sec. 12. Minnesota Statutes 1998, section 297A.25, is amended by adding a subdivision to read:

Subd. 87. [CONSTRUCTION MATERIALS; MAYO CIVIC CENTER.] Purchases of materials and supplies used or consumed in and equipment incorporated into the construction, improvement, or expansion of the Mayo civic center in the city of Rochester are exempt from the tax imposed under this section, regardless of whether purchased by the owner, or by a contractor, subcontractor, or builder. The tax shall be calculated and paid as if the rate in section 297A.02, subdivision 1, was in effect and a refund applied for in the manner prescribed in section 297A.15, subdivision 7.

EFFECTIVE DATE: This section is effective for purchases made after August 1, 1998, and before July 1, 2002."

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.

Senator Oliver moved to amend S.F. No. 2657 as follows:

Page 95, after line 27, insert:

"Sec. 10. Minnesota Statutes 1999 Supplement, 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 ~~\$76,000~~ \$80,000 of market value of class 1a property has a net class rate of one percent of its market value; and the market value of class 1a property that exceeds ~~\$76,000~~ \$80,000 has a class rate of ~~1.65~~ 1.5 percent of its market value.

(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 household income, as defined in section 290A.03, subdivision 5, 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

(G) pension, annuity, or other income paid as a result of that disability from a private pension or disability plan, including employer, employee, union, and insurance plans and

(iii) has household income as defined in section 290A.03, subdivision 5, of \$50,000 or less; or

(4) any person who is permanently and totally disabled and whose household income as defined in section 290A.03, subdivision 5, is 275 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. The remaining market value of class 1b property has a 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 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. If any portion of the class 1c resort property is classified as class 4c under subdivision 25, the entire property must meet the requirements of subdivision 25, paragraph (d), clause (1), to qualify for class 1c treatment under this paragraph.

(d) Class 1d property includes structures that meet all of the following criteria:

(1) the structure is located on property that is classified as agricultural property under section 273.13, subdivision 23;

(2) the structure is occupied exclusively by seasonal farm workers during the time when they work on that farm, and the occupants are not charged rent for the privilege of occupying the property, provided that use of the structure for storage of farm equipment and produce does not disqualify the property from classification under this paragraph;

(3) the structure meets all applicable health and safety requirements for the appropriate season; and

(4) the structure is not salable as residential property because it does not comply with local ordinances relating to location in relation to streets or roads.

The market value of class 1d property has the same class rates as class 1a property under paragraph (a).

EFFECTIVE DATE: This section is effective for taxes levied in 2000, payable in 2001, and thereafter."

Page 107, line 10, delete the period and insert "; plus

(3) For aids payable in 2001, the tax base differential is .65 percent of the assessment year 1999 taxable market value of residential homestead property between \$76,000 and \$80,000; and .15 percent of the 1999 taxable market value of residential homestead property that exceeds \$80,000."

Renumber the sections in sequence and correct the internal references

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

Senator Kiscaden moved to amend S.F. No. 2657 as follows:

Page 73, after line 1, insert:

"Sec. 4. Minnesota Statutes 1998, section 295.53, subdivision 4a, is amended to read:

Subd. 4a. [CREDIT FOR RESEARCH.] (a) In addition to the exemptions allowed under

subdivision 1, a hospital or health care provider may claim an annual credit against the total amount of tax, if any, the hospital or health care provider owes for that calendar year under sections 295.50 to 295.57. The credit shall equal 2.5 percent of revenues for patient services used to fund expenditures for qualifying research conducted by an allowable research program. The amount of the credit shall not exceed the tax liability of the hospital or health care provider under sections 295.50 to 295.57.

(b) For purposes of this subdivision, the following requirements apply:

(1) expenditures must be for program costs of qualifying research conducted by an allowable research program;

(2) an allowable research program must be a formal program of medical and health care research conducted by an entity which is exempt under section 501(c)(3) of the Internal Revenue Code of 1986 or is owned and operated under authority of a governmental unit;

(3) qualifying research must:

(A) be approved in writing by the governing body of the hospital or health care provider which is taking the deduction under this subdivision;

(B) have as its purpose the development of new knowledge in basic or applied science relating to the diagnosis and treatment of conditions affecting the human body;

(C) be subject to review by individuals with expertise in the subject matter of the proposed study but who have no financial interest in the proposed study and are not involved in the conduct of the proposed study; and

(D) be subject to review and supervision by an institutional review board operating in conformity with federal regulations if the research involves human subjects or an institutional animal care and use committee operating in conformity with federal regulations if the research involves animal subjects. Research expenses are not exempt if the study is a routine evaluation of health care methods or products used in a particular setting conducted for the purpose of making a management decision. Costs of clinical research activities paid directly for the benefit of an individual patient are excluded from this exemption. Basic research in fields including biochemistry, molecular biology, and physiology are also included if such programs are subject to a peer review process.

(c) No credit shall be allowed under this subdivision for any revenue received by the hospital or health care provider in the form of a grant, gift, or otherwise, whether from a government or nongovernment source, on which the tax liability under section 295.52 is not imposed.

(d) The taxpayer shall apply for the credit under this section on the annual return under section 295.55, subdivision 5.

(e) Beginning September 1, 2001, if the actual or estimated amount paid under this section for the calendar year exceeds ~~\$2,500,000~~ \$5,000,000, the commissioner of finance shall determine the rate of the research credit for the following calendar year to the nearest one-half percent so that refunds paid under this section will most closely equal ~~\$2,500,000~~ \$5,000,000. The commissioner of finance shall publish in the State Register by October 1 of each year the rate of the credit for the following calendar year. A determination under this section is not subject to the rulemaking provisions of chapter 14."

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.

Senator Neuville moved to amend S.F. No. 2657 as follows:

Page 27, lines 18 and 25, delete "\$360" and insert "\$1,400"

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

S.F. No. 2657 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 46 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Krentz	Pappas	Solon
Belanger	Hottinger	Langseth	Piper	Spear
Berg	Janezich	Lessard	Pogemiller	Stumpf
Berglin	Johnson, D.E.	Lourey	Price	Vickerman
Betzold	Johnson, D.H.	Marty	Ranum	Wiener
Cohen	Johnson, D.J.	Metzen	Ring	Wiger
Dille	Junge	Moe, R.D.	Sams	
Flynn	Kelley, S.P.	Murphy	Samuelson	
Foley	Kelly, R.C.	Novak	Scheevel	
Hanson	Kinkel	Ourada	Scheid	

Those who voted in the negative were:

Day	Kleis	Limmer	Robertson	Ziegler
Fischbach	Knutson	Neuville	Robling	
Frederickson	Laidig	Oliver	Runbeck	
Kierlin	Larson	Olson	Stevens	
Kiscaden	Lesewski	Pariseau	Terwilliger	

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

Senator Johnson, D.J. moved that S.F. No. 2657 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2688 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2688: A bill for an act relating to crime prevention; authorizing disclosure of information about sex offenders; imposing additional registration requirements on sex offenders; establishing procedures for felony offenders who seek name changes; eliminating the statute of limitations for certain offenses; expanding the crime of solicitation to engage in sexual conduct; providing criminal penalties; clarifying the expungement law; making certain data about sex offenders available to law enforcement; clarifying the scope of the community notification law; authorizing release of information about sex offenders residing in treatment facilities; providing for criminal justice information systems technology; changing the membership of the criminal and juvenile justice information policy group; authorizing the purchase and distribution of criminal justice technology infrastructure; appropriating money; amending Minnesota Statutes 1998, sections 13.54, subdivision 6; 243.166, subdivisions 3, 5, 7, and by adding subdivisions; 244.052, as amended; 244.10, subdivision 2a; 259.11; 299C.65, subdivision 1, and by adding a subdivision; 517.08, subdivisions 1a and 1b; 518.27; 609.035, by adding a subdivision; 609.352, subdivisions 1 and 2; 609.749, subdivision 2; 609.795, subdivision 1; 609A.03; and 628.26; Minnesota Statutes 1999 Supplement, sections 13.46, subdivision 2; 243.166, subdivisions 1, 2, 4, and 6; and 299C.65, subdivisions 2 and 8; proposing coding for new law in Minnesota Statutes, chapters 176; 243; 259; 299C; and 609.

Senator Neuville moved to amend H.F. No. 2688, the unofficial engrossment, as follows:

Page 13, line 3, after "was" insert "last"

Page 13, line 18, delete "of" and after "or" insert "delinquency" and delete "for delinquency"

Page 32, line 20, delete "or Minnesota attorney"

Page 32, line 21, delete "general"

Page 37, line 13, delete "presume" and insert "provide for" and after "longer" insert "presumptive"

Page 37, line 14, delete everything after "sentence"

Page 37, line 15, delete "history"

Page 37, line 17, after the period, insert "Sentencing a person in a manner other than that described in this paragraph is a departure from the sentencing guidelines."

Amend the title as follows:

Page 1, line 8, delete "out of compliance with the law"

The motion prevailed. So the amendment was adopted.

H.F. No. 2688 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Laidig	Ourada	Scheid
Belanger	Janezich	Larson	Pappas	Solon
Berg	Johnson, D.E.	Lesewski	Pariseau	Spear
Berglin	Johnson, D.H.	Lessard	Piper	Stevens
Betzold	Johnson, D.J.	Limmer	Pogemiller	Stumpf
Cohen	Junge	Lourey	Price	Terwilliger
Day	Kelley, S.P.	Marty	Ranum	Vickerman
Dille	Kelly, R.C.	Metzen	Ring	Wiener
Fischbach	Kierlin	Moe, R.D.	Robertson	Wiger
Flynn	Kinkel	Murphy	Robling	Ziegler
Foley	Kiscaden	Neuville	Runbeck	
Frederickson	Kleis	Novak	Sams	
Hanson	Knutson	Oliver	Samuelson	
Higgins	Krentz	Olson	Scheevel	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted/proceeded to the Orders of Business of Messages From the House and First Reading of House Bills.

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. 2326 and 3145.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 2000

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. 3586: A bill for an act relating to game and fish; permitting angling with a lighted fishing lure; amending Minnesota Statutes 1998, section 97C.335.

Senate File No. 3586 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 2000

CONCURRENCE AND REPASSAGE

Senator Pariseau moved that the Senate concur in the amendments by the House to S.F. No. 3586 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 3586 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Kierlin	Limmer	Ring	Solon
Day	Kiscaden	Murphy	Robertson	Stevens
Dille	Kleis	Neuville	Robling	Stumpf
Fischbach	Knutson	Oliver	Runbeck	Terwilliger
Frederickson	Laidig	Olson	Samuelson	Wiener
Kelley, S.P.	Larson	Ourada	Scheevel	Ziegler

Those who voted in the negative were:

Anderson	Higgins	Kinkel	Moe, R.D.	Ranum
Berglin	Hottinger	Krentz	Novak	Sams
Betzold	Johnson, D.E.	Lesewski	Pappas	Scheid
Cohen	Johnson, D.H.	Lessard	Pariseau	Spear
Flynn	Johnson, D.J.	Lourey	Piper	Vickerman
Foley	Junge	Marty	Pogemiller	Wiger
Hanson	Kelly, R.C.	Metzen	Price	

So the bill, as amended, failed to pass.

MESSAGES FROM THE HOUSE - CONTINUED

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. 2946: A bill for an act relating to motor fuels; limiting the use of certain oxygenates in gasoline sold in Minnesota; amending Minnesota Statutes 1998, section 239.761, subdivision 6; Minnesota Statutes 1999 Supplement, section 239.791, subdivision 1.

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

Dorman, Holsten and Kelliher.

Senate File No. 2946 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 2000

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2569, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2569: A bill for an act relating to insurance; authorizing insurance coverage for vicarious liability for punitive and exemplary damages; regulating the terms of certain fraternal benefit society board members; amending Minnesota Statutes 1998, sections 60A.06, by adding a subdivision; and 64B.03.

Senate File No. 2569 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 2000

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. 3581: A bill for an act relating to liquor; authorizing the city of Minneapolis to issue an on-sale wine and malt liquor license for the Illusion Theatre and the Hollywood Theatre; authorizing winemaking on premises stores; authorizing the city of St. Paul to issue an on-sale wine and malt liquor license to the Great American History Theater; exempting an on-sale intoxicating liquor license in Bemidji from statutory restrictions on proximity to a state university; authorizing the cities of Duluth, Springfield, and Eveleth, to issue on-sale intoxicating liquor licenses; authorizing the city of Anoka to issue an on-sale wine license; amending Minnesota Statutes 1999 Supplement, section 340A.404, subdivisions 2 and 2b; Laws 1999, chapter 202, section 15; proposing coding for new law in Minnesota Statutes, chapter 340A.

Senate File No. 3581 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 2000

Senator Solon moved that the Senate do not concur in the amendments by the House to S.F. No. 3581, 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 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. 2397: A bill for an act relating to occupational health and safety; establishing standards for employer activities to reduce occupational exposure to bloodborne pathogens through sharps injuries; proposing coding for new law in Minnesota Statutes, chapter 182.

Senate File No. 2397 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 2000

Senator Higgins moved that the Senate do not concur in the amendments by the House to S.F. No. 2397, 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 the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2940, 3134, 3505 and 3409.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 24, 2000

FIRST READING OF HOUSE BILLS

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

H.F. No. 2940: A bill for an act relating to the environment; modifying the drycleaner environmental response and reimbursement law; amending Minnesota Statutes 1998, section 115B.49, subdivision 4, as amended, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2735, now on General Orders.

H.F. No. 3134: A bill for an act relating to natural resources; modifying authority of the metropolitan mosquito control commission to enter certain lands; amending Minnesota Statutes 1998, section 473.704, subdivision 17.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2857, now on General Orders.

H.F. No. 3505: A bill for an act relating to commerce; regulating certain disclosures; authorizing insurance against vicarious liability for certain damages; specifying the license term and fees of a managing general agent; regulating securities broker-dealers and investment advisers; authorizing the commissioner to withdraw certain inactive registration applications; extending a real estate continuing education pilot project; regulating the contractor recovery fund; making collection agencies responsible for the acts of collectors; providing standards of conduct for notarial acts; regulating unclaimed property; amending Minnesota Statutes 1998, sections 45.027, subdivision 7a; 60H.03, by adding a subdivision; 60K.03, subdivision 4; 80A.04, subdivisions 2 and 3; 80A.07, subdivision 1; 80A.10, subdivision 2; 80C.05, subdivision 4; 80C.07; 82.22, subdivision 13; 82A.04, subdivision 4, and by adding a subdivision; 82B.14; 83.23, by adding a subdivision; 308A.711, subdivision 1; 326.975, subdivision 1; and 345.515; Minnesota Statutes 1999 Supplement, sections 60A.06, subdivision 1; and 80A.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 332; and 359.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3092, now on General Orders.

H.F. No. 3409: A bill for an act relating to human services; modifying provisions in continuing care services for persons with disabilities; amending Minnesota Statutes 1998, section 62D.09, subdivision 8; Minnesota Statutes 1999 Supplement, sections 62Q.73, subdivision 2; 256B.0625, subdivision 19c; 256B.0627, subdivisions 5, 8, and 11; 256B.501, subdivision 8a; 256B.5011, subdivision 2; 256B.5013, subdivision 1, and by adding subdivisions; and 256B.77, subdivision 8.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2841, now on General Orders.

RECESS

Senator 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

Senator Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2699: Senators Samuelson, Krentz, Price, Janezich and Kiscaden.

S.F. No. 3581: Senators Solon, Metzen and Larson.

S.F. No. 2397: Senators Higgins; Johnson, D.H. and Lesewski.

Senator Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Senator Pogemiller was excused from the Session of today from 9:00 to 10:30 a.m. Senator Kelley, S.P. was excused from the Session of today from 9:00 to 11:30 a.m. Senator Murphy was excused from the Session of today from 9:00 to 11:45 a.m. Senators Johnson, D.E. and Junge were excused from the Session of today from 12:30 to 2:35 p.m.

ADJOURNMENT

Senator Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Monday, March 27, 2000. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

INDEX TO DAILY JOURNAL

Friday, March 24, 2000

MESSAGES FROM THE HOUSE AND FIRST READINGS OF HOUSE FILES

S.F. Nos.	Message Page	H.F. Nos.	Message Page	1st Reading Page
2193	5877	2699	5878	
2326	5925	2940	5928	5928
2397	5927	3134	5928	5928
2569	5927	3409	5928	5928
2579	5880	3505	5928	5928
2615	5877	4078	5881	5881
2821	5879			
2903	5877			
2946	5926			
3145	5925			
3581	5927			
3586	5926			

CONCURRENCE AND REPASSAGE

S.F. Nos.	Page	H.F. Nos.	Page
2579	5880		
2821	5880		
3586	5926		

SUSPENSION OF RULES

S.F. Nos.	Page	H.F. Nos.	Page
		4078	5884

REPORTS OF COMMITTEES AND SECOND READINGS

S.F. Nos.	Report Page	2nd Reading Page	H.F. Nos.	Report Page	2nd Reading Page
2421	5883	5883	2656	5882	5883
			3122	5882	5883
			3209	5881	5883
			3312	5883	5883

MOTIONS AND RESOLUTIONS

S.F. Nos.	Page	H.F. Nos.	Page
2429	.....5883	4078	..... 5884

APPOINTMENTS TO CONFERENCE COMMITTEES

S.F. Nos.	Page	H.F. Nos.	Page
2397	.....5929	2699	..... 5929
3581	.....5929		

SPECIAL ORDERS

S.F. Nos.	Page	H.F. Nos.	Page
2657	.....5885	2688	..... 5924