

## ONE HUNDRED FIRST DAY

St. Paul, Minnesota, Thursday, May 4, 2006

The Senate met at 11:00 a.m. and was called to order by the President.

**CALL OF THE SENATE**

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Lt. Col. Rob Lubben.

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

Anderson	Foley	Kubly	Nienow	Scheid
Bachmann	Frederickson	Langseth	Olson	Senjem
Bakk	Gerlach	Larson	Ortman	Skoe
Belanger	Hann	LeClair	Pappas	Skoglund
Berglin	Higgins	Limmer	Pariseau	Solon
Betzold	Hottinger	Lourey	Pogemiller	Sparks
Bonoff	Johnson, D.E.	Marko	Ranum	Stumpf
Chaudhary	Johnson, D.J.	Marty	Reiter	Tomassoni
Clark	Jungbauer	McGinn	Rest	Vickerman
Cohen	Kelley	Metzen	Robling	Wergin
Day	Kierlin	Michel	Rosen	Wiger
Dibble	Kiscaden	Moua	Ruud	
Dille	Koch	Murphy	Sams	
Fischbach	Koering	Neuville	Saxhaug	

The President declared a quorum present.

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

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

The following communication was received.

May 2, 2006

The Honorable James P. Metzen  
President of the Senate

Dear Senator Metzen:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

**BOARD ON JUDICIAL STANDARDS**

William J. Egan, 5237 Wooddale Ave., Edina, in the county of Hennepin, effective May 8, 2006, for a term that expires on January 4, 2010.

Cynthia C. Jepsen, Box 254, Marine on Saint Croix, in the county of Washington, effective May 8, 2006, for a term that expires on January 4, 2010.

(Referred to the Committee on Judiciary.)

Sincerely,  
Tim Pawlenty, Governor

### MOTIONS AND RESOLUTIONS

Senator LeClair moved that his name be stricken as a co-author to S.F. No. 3176. The motion prevailed.

Senator LeClair moved that the name of Senator Gerlach be added as a co-author to S.F. No. 3779. The motion prevailed.

**Senator Stumpf introduced –**

**Senate Resolution No. 203:** A Senate resolution celebrating National Hospital Week from May 7-13, 2006.

Referred to the Committee on Rules and Administration.

**Senators Koering, Wergin, Sams, Day and Johnson, D.E. introduced –**

**Senate Resolution No. 204:** A Senate resolution congratulating Kevin Joseph Groves of Pierz, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

**Senator Wiger introduced –**

**Senate Resolution No. 205:** A Senate resolution congratulating John Lamson for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Johnson, D.E. moved that H.F. No. 2892 be withdrawn from the Committee on Finance, and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 2716, now on General Orders. The motion prevailed.

### SPECIAL ORDERS

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. Nos. 358, 3017, H.F. Nos. 3712 and 3779.

### SPECIAL ORDER

**S.F. No. 358:** A bill for an act relating to school board elections; Special School District No. 1;

providing for six members to be elected by district and three to be elected at-large.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Koering	Olson	Scheid
Bakk	Frederickson	Kubly	Ortman	Senjem
Belanger	Gerlach	Langseth	Pappas	Skoe
Berglin	Hann	Lourey	Pariseau	Skoglund
Betzold	Higgins	Marko	Pogemiller	Solon
Bonoff	Johnson, D.E.	Marty	Ranum	Sparks
Clark	Johnson, D.J.	McGinn	Rest	Stumpf
Cohen	Jungbauer	Metzen	Robling	Tomassoni
Day	Kelley	Michel	Rosen	Vickerman
Dibble	Kierlin	Moua	Ruud	Wergin
Dille	Kiscaden	Murphy	Sams	Wiger
Fischbach	Koch	Neuville	Saxhaug	

Those who voted in the negative were:

Larson	LeClair	Limmer	Nienow	Reiter
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So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 3017:** A bill for an act relating to agriculture; providing for a study and report on public and private funding of a milk volume production loan program.

Senator Koering moved to amend S.F. No. 3017 as follows:

Page 1, line 10, before "\$500" insert "at least" and delete "up to 100 cows per producer,"

Page 1, line 11, after the period, insert "The commissioners shall recommend an appropriate limit on the number of cows per producer to be covered by this program."

Page 1, line 14, after "program" insert a comma

Page 1, line 20, after the period, insert "The report must include recommendations on the following items:

(1) estimated program administration costs;

(2) the terms of a milk volume production loan including, but not limited to, amortization options and the rate of interest required only to cover program administration costs;

(3) producer loan eligibility criteria; and

(4) the amount of annual private contributions and public matching funds needed to establish a sustainable and effective revolving loan program for milk volume production loans."

The motion prevailed. So the amendment was adopted.

S.F. No. 3017 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	Foley	Langseth	Olson	Senjem
Bachmann	Frederickson	Larson	Ortman	Skoe
Bakk	Gerlach	LeClair	Pappas	Skoglund
Belanger	Hann	Limmer	Pariseau	Solon
Berglin	Higgins	Lourey	Pogemiller	Sparks
Betzold	Johnson, D.E.	Marko	Ranum	Stumpf
Bonoff	Johnson, D.J.	Marty	Reiter	Tomassoni
Chaudhary	Jungbauer	McGinn	Rest	Vickerman
Clark	Kelley	Metzen	Robling	Wergin
Cohen	Kierlin	Michel	Rosen	Wiger
Day	Kiscaden	Moua	Ruud	
Dibble	Koch	Murphy	Sams	
Dille	Koering	Neuville	Saxhaug	
Fischbach	Kubly	Nienow	Scheid	

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

### SPECIAL ORDER

**H.F. No. 3712:** A bill for an act relating to the environment; requiring disclosure regarding disposal of fluorescent lamps containing mercury; requiring mercury emissions reduction by public utilities; amending Minnesota Statutes 2004, sections 116.92, by adding a subdivision; 216B.1692, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 216B.

Senator Dibble moved that the amendment made to H.F. No. 3712 by the Committee on Rules and Administration in the report adopted May 3, 2006, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 3712 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Langseth	Olson	Senjem
Bachmann	Frederickson	Larson	Ortman	Skoe
Bakk	Gerlach	LeClair	Pappas	Skoglund
Belanger	Hann	Limmer	Pariseau	Solon
Berglin	Higgins	Lourey	Pogemiller	Sparks
Betzold	Johnson, D.E.	Marko	Ranum	Stumpf
Bonoff	Johnson, D.J.	Marty	Reiter	Tomassoni
Chaudhary	Jungbauer	McGinn	Rest	Vickerman
Clark	Kelley	Metzen	Robling	Wergin
Cohen	Kierlin	Michel	Rosen	Wiger
Day	Kiscaden	Moua	Ruud	
Dibble	Koch	Murphy	Sams	
Dille	Koering	Neuville	Saxhaug	
Fischbach	Kubly	Nienow	Scheid	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**H.F. No. 3779:** A bill for an act relating to adults-only businesses; requiring notice by certified mail to the appropriate statutory or home-rule charter city under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 617.

Senator Dille moved to amend H.F. No. 3779, as amended pursuant to Rule 45, adopted by the

Senate May 2, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3394.)

Page 1, line 25, delete "and"

Page 2, line 3, delete the period and insert "; and"

Page 2, after line 3, insert:

"(6) adult entertainment establishments diminish property values and potentially endanger youth if located near schools, churches, or commercial areas."

Page 2, delete section 2

Page 3, delete lines 7 to 30 and insert:

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

(1) "adult entertainment establishment" means a business that is open only to adults and that presents live performances that are distinguished or characterized by an emphasis on the depiction of sexual conduct or sexually oriented entertainment; and

(2) "sexual conduct" has the meaning given in section 617.241."

Page 3, line 33, delete "within 60 days before commencing" and insert "at least 60 days before submitting a permit application for operation of the establishment or, if a permit is not required, at least 60 days before beginning"

Page 3, line 35, delete "will commence" and insert "intends to begin"

Page 4, line 17, after "church" insert ", synagogue, mosque, or other place of worship"

Page 4, line 25, delete "the conviction" and insert "discharge of the sentence"

Page 4, line 26, delete "conviction for a"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Dille moved to amend H.F. No. 3779, as amended pursuant to Rule 45, adopted by the Senate May 2, 2006, as follows:

(The text of the amended House File is identical to S.F. No. 3394.)

Page 5, line 4, after the period, insert "If a county or city adopts an ordinance that only regulates a portion or facet of the operation of an adult entertainment establishment, this section applies to the remainder of the operation that is not regulated by the county or city ordinance, unless the ordinance provides otherwise."

The motion prevailed. So the amendment was adopted.

H.F. No. 3779 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 63 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Langseth	Nienow	Saxhaug
Bachmann	Frederickson	Larson	Olson	Scheid
Belanger	Gerlach	LeClair	Ortman	Senjem
Berglin	Hann	Limmer	Pappas	Skoe
Betzold	Higgins	Lourey	Pariseau	Skoglund
Bonoff	Johnson, D.E.	Marko	Pogemiller	Solon
Chaudhary	Johnson, D.J.	Marty	Ranum	Sparks
Clark	Jungbauer	McGinn	Reiter	Stumpf
Cohen	Kelley	Metzen	Rest	Vickerman
Day	Kierlin	Michel	Robling	Wergin
Dibble	Koch	Moua	Rosen	Wiger
Dille	Koering	Murphy	Ruud	
Fischbach	Kubly	Neuville	Sams	

Those who voted in the negative were:

Bakk                      Kiscaden                      Tomassoni

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 proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

#### Senator Metzen introduced—

**S.F. No. 3795:** A bill for an act relating to taxes; modifying the treatment of certain income from foreign operations under the corporate franchise tax; increasing local government aid; providing a property tax rebate; establishing a tax rate for school district operating capital revenue; appropriating money; amending Minnesota Statutes 2004, sections 290.34, subdivision 1; 477A.013, subdivision 9; Minnesota Statutes 2005 Supplement, sections 126C.10, subdivision 13a; 290.01, subdivisions 6b, 19c, 19d; 477A.013, subdivision 8; repealing Minnesota Statutes 2005 Supplement, section 477A.03, subdivision 2a.

Referred to the Committee on Taxes.

#### Senators Lourey, Anderson and Marty introduced—

**S.F. No. 3796:** A bill for an act relating to health; requiring the commissioner of health to develop health risk limits for perfluorooctanoic acid and perfluorooctane sulfonate.

Referred to the Committee on Health and Family Security.

### RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 2:30 p.m. The motion prevailed.

The hour of 2:30 p.m. having arrived, the President called the Senate to order.

**CALL OF THE SENATE**

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

**REPORTS OF COMMITTEES**

Senator Johnson, D.E. moved that the Committee Report at the Desk be now adopted. The motion prevailed.

**Senator Pogemiller from the Committee on Taxes, to which was re-referred**

**S.F. No. 2460:** A bill for an act relating to higher education; providing a process for state support of a football stadium at the University of Minnesota; appropriating money; amending Minnesota Statutes 2004, sections 297A.71, by adding a subdivision; 340A.404, subdivision 4a; proposing coding for new law in Minnesota Statutes, chapter 473.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert:

"Section 1. **[295.61] SPORTS MEMORABILIA TAX.**

Subdivision 1. Tax. A tax is imposed on each sale at wholesale of sports memorabilia in the state. The rate of the tax is 13 percent of the gross revenues from the sale.

Subd. 2. Definitions. (a) For purposes of this section, the following terms have the meanings given them.

(b) "Buyer" means any person who purchases sports memorabilia at wholesale.

(c) "Commissioner" means the commissioner of revenue.

(d) "Sale" means a transfer of title or possession of tangible personal property, whether absolutely or conditionally.

(e) "Sports memorabilia" means items available for sale to the public that are sold under a license granted by a professional sports league, association or team, the National Collegiate Athletic Association (NCAA), an NCAA Division I college or university, an NCAA affiliated or corresponding member, or by an individual athlete, including:

(1) one-of-a-kind items related to sports figures, teams, or events;

(2) trading cards;

(3) photographs;

(4) clothing;

(5) sports event licensed items;

(6) sports equipment; and

(7) similar items.

(f) "Wholesale" or "sale at wholesale" means a sale to a retailer, as defined in section 297A.61, subdivision 9, for the purpose of reselling the property to a third party.

(g) "Wholesaler" means any person making wholesale sales of sports memorabilia to purchasers in the state.

**Subd. 3. Quarterly estimated payments.** (a) Each wholesaler must make estimated payments of the tax for the calendar year to the commissioner in quarterly installments by April 15, July 15, October 15, and January 15 of the following calendar year.

(b) Estimated tax payments are not required if the tax for the calendar year is less than \$500.

(c) An underpayment of estimated installments bears interest at the rate specified in section 270C.40, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270C.40. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-quarter of the tax for the calendar year, or (2) the tax for the actual gross revenues received during the quarter.

**Subd. 4. Electronic funds-transfer payments.** A taxpayer with an aggregate tax liability of \$120,000 or more during a fiscal year ending June 30, must remit all liabilities by funds-transfer as defined in section 336.4A-104, paragraph (a), in the next calendar year. The funds-transfer payment date, as defined in section 336.4A-401, is on or before the first funds-transfer business day after the date the tax is due.

**Subd. 5. Annual return.** The taxpayer must file an annual return reconciling the estimated payments by March 15 of the following calendar year.

**Subd. 6. Form of returns.** The estimated payments and annual return must contain the information and be in the form prescribed by the commissioner.

**Subd. 7. Use tax.** If the tax is not paid under this section, a tax is imposed on possession for sale or use of sports memorabilia in the state. The rate of tax equals the rate under this section, and must be paid by the possessor of the items.

**Subd. 8. Application of other chapters.** Unless specifically provided otherwise by this section, the enforcement, interest, and penalty provisions under chapter 270C, appeal provisions in sections 289A.43 and 289A.65, criminal penalties under section 289A.63, refund provisions in section 289A.50, and collection and rulemaking provisions under chapter 270C, apply to the tax under this section.

**Subd. 9. Disposition of revenues.** The commissioner shall deposit all revenues, including interest and penalties, derived from the tax imposed under this section in the state treasury.

**EFFECTIVE DATE.** This section is effective for sales after December 31, 2006."

Page 3, delete section 6, and insert:

"Sec. 7. **MITIGATION FUND.**

The Board of Regents is requested to cooperate with the reconstituted stadium area advisory group described in the University of Minnesota On-Campus Football Stadium-Final EIS, dated February 13, 2006, to mitigate the impact of the construction and operation of the stadium. The board shall also establish a mitigation fund for the support of community initiatives that relate to the impacts of the operation of the stadium. The university shall deposit \$1,000,000 into a fund to be managed by the Board. Income from the fund shall be made available exclusively to pay for mitigation activities. The use of the funds must be coordinated through the reconstituted stadium area advisory group.

Sec. 8. **NEIGHBORHOOD IMPACT REPORT.**



The Board of Regents and the city of Minneapolis are requested to work with the reconstituted stadium area advisory group described in the University of Minnesota On-Campus Football Stadium-Final EIS, dated February 13, 2006, to assess and prepare a report of the impact of the university on the surrounding community and the relationship of the community to the university. The report shall include, but not be limited to, an assessment of:

(1) the direct and indirect impacts of the university on the surrounding community, addressing issues of public safety, transportation, and housing quality, availability, and affordability;

(2) opportunities and strategies to improve coordination between the university, surrounding residential and business areas, and the city of Minneapolis;

(3) strategies for strengthening and revitalizing the neighborhoods and commercial business areas and supporting economic development; and

(4) identification of the best practices and strategies for building partnerships among the stakeholders.

The report shall include consensus recommendations from the University of Minnesota, the city of Minneapolis, and the reconstituted stadium area advisory group for short- and long-term solutions to ongoing issues and concerns and shall include projected costs and benefits of the recommendations made. The report shall be submitted to the governor and the legislature by January 15, 2007."

Page 4, line 14, delete "clubs" and insert "club facilities"

Page 4, line 26, delete "10" and insert "12"

Renumber the sections in sequence

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

## **SECOND READING OF SENATE BILLS**

S.F. No. 2460 was read the second time.

## **MEMBERS EXCUSED**

Senator Bachmann was excused from the Session of today from 11:00 to 11:35 a.m. Senator Hottinger was excused from the Session of today from 11:00 a.m. to 12:40 p.m.

## **ADJOURNMENT**

Senator Johnson, D.E. moved that the Senate do now adjourn until 11:00 a.m., Monday, May 8, 2006. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

