

STATE OF MINNESOTA

Journal of the Senate

EIGHTIETH LEGISLATURE

—————
FORTY-FOURTH DAY

St. Paul, Minnesota, Tuesday, April 22, 1997

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

CALL OF THE SENATE

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

Prayer was offered by Senator Dean E. Johnson.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Johnson, D.H. was excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

April 18, 1997

The Honorable Allan H. Spear
President of the Senate

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

TAX COURT

Kathleen Doar, 1617 W. 25th St., Minneapolis, Hennepin County, effective April 23, 1997, for a term expiring on the first Monday in January, 2003.

(Referred to the Committee on Taxes.)

Warmest regards,
Arne H. Carlson, Governor

April 21, 1997

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 227, 424, 1071, 1356, 127, 137 and 458.

Warmest regards,
Arne H. Carlson, Governor

April 21, 1997

The Honorable Phil Carruthers
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1997 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1997	Date Filed 1997
	1067	Res. No. 2	10:29 a.m. April 21	April 21
227		39	10:14 a.m. April 21	April 21
424		40	10:15 a.m. April 21	April 21
	1187	41	10:12 a.m. April 21	April 21
	566	42	10:13 a.m. April 21	April 21
1071		43	10:17 a.m. April 21	April 21
1356		44	10:17 a.m. April 21	April 21
127		45	10:21 a.m. April 21	April 21
137		46	10:18 a.m. April 21	April 21
458		47	10:26 a.m. April 21	April 21

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 432.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 21, 1997

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. 1722: A bill for an act relating to professions and occupations; defining pharmacy technician; amending Minnesota Statutes 1996, sections 151.01, by adding a subdivision; and 151.06, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 151.

Senate File No. 1722 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 21, 1997

Mr. Sams moved that the Senate do not concur in the amendments by the House to S.F. No. 1722, 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 File, herewith transmitted: H.F. No. 2150.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 21, 1997

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 2150: A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 1996, sections 17.76, by adding a subdivision; 32.394, subdivision 11; 32.415; 84.0273; 84.0887, subdivision 2; 84.794, subdivision 1; 84.803, subdivision 1; 84.927, subdivision 2; 85.015, by adding a subdivision; 85.22, subdivision 2a; 85A.04, subdivision 4; 86A.23; 86B.415, subdivision 9; 92.06, subdivision 4; 92.16, subdivision 1; 92.46, by adding a subdivision; 94.10, subdivision 2; 94.165; 97B.667; 103C.501, subdivision 6; 103F.378, subdivision 1; 115.03, subdivision 5; 115A.54, subdivision 2a; 116.07, by adding a subdivision; 296.421, subdivision 5; 300.111, by adding a subdivision; 308A.101, by adding a subdivision; 308A.201, by adding a subdivision; 325E.10, subdivision 2, and by adding subdivisions; 325E.11; and 325E.112, subdivision 2; Laws 1995, chapter 220, section 19, subdivision 11; and Laws 1996, chapters 351, section 2; and 463, section 7, subdivision 24; proposing coding for new law in Minnesota Statutes, chapters 4; 17; 92; 115; 116; and 219; repealing Minnesota Statutes 1996, sections 1.31; 1.32; 1.33; 1.34; 1.35; 1.36; 1.37; 1.38; 1.39; 1.40; 84B.11; and 115A.9523; Laws 1995, chapters 77, section 3; and 220, section 21; Minnesota Rules, part 7009.0060.

Mr. Moe, R.D. moved that H.F. No. 2150 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

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

H.F. No. 317 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.
317	16				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 317 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 317 and insert the language after the enacting clause of S.F. No. 16, the first engrossment; further, delete the title of H.F. No. 317 and insert the title of S.F. No. 16, the first engrossment.

And when so amended H.F. No. 317 will be identical to S.F. No. 16, and further recommends that H.F. No. 317 be given its second reading and substituted for S.F. No. 16, 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.

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

H.F. No. 209 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.
209	210				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 209 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 209 and insert the language after the enacting clause of S.F. No. 210, the first engrossment; further, delete the title of H.F. No. 209 and insert the title of S.F. No. 210, the first engrossment.

And when so amended H.F. No. 209 will be identical to S.F. No. 210, and further recommends that H.F. No. 209 be given its second reading and substituted for S.F. No. 210, 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.

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

H.F. No. 966 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.
966	911				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 966 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 966 and insert the language after the enacting clause of S.F. No. 911, the first engrossment; further, delete the title of H.F. No. 966 and insert the title of S.F. No. 911, the first engrossment.

And when so amended H.F. No. 966 will be identical to S.F. No. 911, and further recommends that H.F. No. 966 be given its second reading and substituted for S.F. No. 911, 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.

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

H.F. No. 1460 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.
1460	1277				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1460 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1460 and insert the language after the enacting clause of S.F. No. 1277, the first engrossment; further, delete the title of H.F. No. 1460 and insert the title of S.F. No. 1277, the first engrossment.

And when so amended H.F. No. 1460 will be identical to S.F. No. 1277, and further recommends that H.F. No. 1460 be given its second reading and substituted for S.F. No. 1277, 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.

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

H.F. No. 1409 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.
1409	1134				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1409 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1409 and insert the language after the enacting clause of S.F. No. 1134, the first engrossment; further, delete the title of H.F. No. 1409 and insert the title of S.F. No. 1134, the first engrossment.

And when so amended H.F. No. 1409 will be identical to S.F. No. 1134, and further recommends that H.F. No. 1409 be given its second reading and substituted for S.F. No. 1134, 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.

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

H.F. No. 276 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.
276	385				

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.

SECOND READING OF HOUSE BILLS

H.F. Nos. 317, 209, 966, 1460, 1409 and 276 were read the second time.

MOTIONS AND RESOLUTIONS

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1342 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1342: A resolution memorializing Congress to recognize Earth Day as a national day of service and education and establishing Earth Day as a state day of service and education.

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

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.E.	Lesewski	Ourada	Scheid
Belanger	Johnson, D.J.	Lessard	Pappas	Solon
Berg	Johnson, J.B.	Limmer	Pariseau	Spear
Berglin	Junge	Lourey	Piper	Stevens
Betzold	Kelley, S.P.	Marty	Pogemiller	Ten Eyck
Day	Kelly, R.C.	Metzen	Price	Terwilliger
Dille	Kleis	Moe, R.D.	Ranum	Vickerman
Fischbach	Knutson	Morse	Robertson	Wiger
Foley	Krentz	Murphy	Robling	
Frederickson	Laidig	Neuville	Runbeck	
Hanson	Langseth	Novak	Sams	
Hottinger	Larson	Olson	Scheevel	

So the resolution 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 the Consent Calendar.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Rule 9 be suspended as to the lie-over requirement on the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

S.F. No. 273: A bill for an act relating to veterans; authorizing certain improvements at the Hastings, Luverne, and Silver Bay veterans homes using donated funds; requiring accounting of donations.

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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 2150 be taken from the table. The motion prevailed.

H.F. No. 2150: A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 1996, sections 17.76, by adding a subdivision; 32.394, subdivision 11; 32.415; 84.0273; 84.0887, subdivision 2; 84.794, subdivision 1; 84.803, subdivision 1; 84.927, subdivision 2; 85.015, by adding a subdivision; 85.22, subdivision 2a; 85A.04, subdivision 4; 86A.23; 86B.415, subdivision 9; 92.06, subdivision 4; 92.16, subdivision 1; 92.46, by adding a subdivision; 94.10, subdivision 2; 94.165; 97B.667; 103C.501, subdivision 6; 103F.378, subdivision 1; 115.03, subdivision 5; 115A.54, subdivision 2a; 116.07, by adding a subdivision; 296.421, subdivision 5; 300.111, by adding a subdivision; 308A.101, by adding a subdivision; 308A.201, by adding a subdivision; 325E.10, subdivision 2, and by adding subdivisions; 325E.11; and 325E.112, subdivision 2; Laws 1995, chapter 220, section 19, subdivision 11; and Laws 1996, chapters 351, section 2; and 463, section 7, subdivision 24; proposing coding for new law in Minnesota Statutes, chapters 4; 17; 92; 115; 116; and 219; repealing Minnesota Statutes 1996, sections 1.31; 1.32; 1.33; 1.34; 1.35; 1.36; 1.37; 1.38; 1.39; 1.40; 84B.11; and 115A.9523; Laws 1995, chapters 77, section 3; and 220, section 21; Minnesota Rules, part 7009.0060.

SUSPENSION OF RULES

Mr. 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. 2150 and that the rules of the Senate be so far suspended as to give H.F. No. 2150 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2150 was read the second time.

Mr. Morse moved to amend H.F. No. 2150 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2150, and insert the language after the enacting clause, and the title, of S.F. No. 1907, the second engrossment.

The motion prevailed. So the amendment was adopted.

H.F. No. 2150 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 7, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Murphy	Samuelson
Belanger	Hanson	Laidig	Neuville	Scheevel
Berg	Hottinger	Langseth	Novak	Scheid
Berglin	Johnson, D.E.	Larson	Olson	Solon
Betzold	Johnson, D.J.	Lesewski	Pappas	Spear
Cohen	Johnson, J.B.	Lessard	Piper	Stevens
Day	Junge	Lourey	Pogemiller	Ten Eyck
Dille	Kelley, S.P.	Marty	Price	Terwilliger
Fischbach	Kelly, R.C.	Metzen	Ranum	Vickerman
Flynn	Kiscaden	Moe, R.D.	Runbeck	Wiener
Foley	Knutson	Morse	Sams	Wiger

Those who voted in the negative were:

Kleis	Oliver	Pariseau	Robertson	Robling
Limmer	Ourada			

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 493 be taken from the table. The motion prevailed.

S.F. No. 493: A bill for an act relating to the financing and operation of state and local government; providing property tax class rate reform; providing for education financing; providing for calculation of rent constituting property taxes; providing increased property tax refunds for homeowners; changing truth-in-taxation requirements; providing for joint truth-in-taxation hearings; imposing levy limits on cities and counties for taxes levied in 1997 and 1998; changing fiscal note requirements for state mandates; providing for reimbursement for costs of state mandate; requiring periodic review of administrative rules; reducing or repealing certain corporate taxes; imposing a business activity tax; making miscellaneous property tax changes; providing procedures for the apportionment of a local government unit; providing for increase in city aid base; changing tax increment financing provisions; providing for heritage and historic subdistricts; authorizing certain tax increment districts; exempting certain tax increment districts from certain requirements; authorizing local tax levies, abatements, and assessments; conforming certain income tax laws with changes in federal law; modifying certain income tax definitions and formulas; providing income tax credits; imposing the sales tax on certain tangible personal property and services; modifying the application of sales and excise taxes; exempting certain

purchases from the sales tax; authorizing the city of Willmar to impose sales and excise taxes; modifying waste management tax and taconite tax provisions; increasing the budget reserve; revising the law governing regional development commissions; requiring reports; appropriating money; amending Minnesota Statutes 1996, sections 16A.152, subdivision 2; 93.41; 103D.905, subdivisions 4, 5, and by adding a subdivision; 115A.554; 124.195, subdivisions 7 and 10; 124.239, subdivision 5, and by adding subdivisions; 124.2716, subdivision 3; 124.2727, subdivision 6b; 124.312, subdivisions 4 and 5; 124.314, subdivision 2; 124.83, subdivision 4; 124.95, subdivisions 1 and 4; 124A.23, subdivision 1; 216B.16, by adding a subdivision; 270B.01, subdivision 8; 272.02, subdivision 1; 273.11, subdivisions 1 and 16; 273.112, subdivisions 1, 2, 3, and 4; 273.12; 273.124, by adding a subdivision; 273.13, subdivisions 22, 23, 24, 25, 31, and by adding a subdivision; 273.1398, subdivisions 4 and 8; 273.1399, subdivision 6, and by adding a subdivision; 275.065, subdivisions 1, 3, 5a, 6, 8, and by adding subdivisions; 275.16; 276.04, subdivision 2; 281.13; 281.23, subdivision 6, and by adding a subdivision; 281.273; 281.276; 282.01, subdivision 8; 282.04, subdivision 1; 289A.02, subdivision 7; 290.01, subdivisions 19, 19a, 19b, 19c, 19d, 19f, 19g, and 31; 290.014, subdivisions 2 and 3; 290.015, subdivisions 3 and 5; 290.06, subdivisions 1, 22, and by adding a subdivision; 290.068, subdivision 1; 290.0922, subdivision 1; 290.17, subdivision 1; 290.191, subdivision 4; 290.371, subdivision 2; 290.9725; 290.9727, subdivision 1; 290.9728, subdivision 1; 290A.03, subdivisions 11 and 13; 290A.04, subdivisions 2 and 6; 290A.19; 291.005, subdivision 1; 296.141, subdivision 4; 296.18, subdivision 1; 297A.01, subdivisions 3, 4, 7, 11, 15, and 16; 297A.09; 297A.15, subdivision 7; 297A.25, subdivisions 2, 7, 11, 11, 16, 56, 59, and by adding subdivisions; 297A.44, subdivision 1; 297B.01, subdivisions 7 and 8; 297E.04, subdivision 3; 298.24, subdivision 1; 298.296, subdivision 4; 298.75, subdivision 1, 4, and by adding a subdivision; 325D.33, subdivision 3; 349.12, subdivision 26a; 349.163, subdivision 8; 373.40, subdivision 7; 375.192, subdivision 2; 383A.75, subdivision 3; 462.381; 462.383; 462.384; 462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387; 462.388; 462.389, subdivisions 1, 3, and 4; 462.39, subdivisions 2 and 3 and by adding a subdivision; 462.391, subdivision 5, and by adding subdivisions; 462.393; 462.394; 462.396, subdivisions 1, 3, and 4; 462.398; 465.71; 465.81, subdivisions 1 and 3; 465.82, subdivisions 1, 2, and by adding a subdivision; 465.87, subdivisions 1a and 2; 465.88; 469.040, subdivision 3, and by adding a subdivision; 469.169, by adding a subdivision; 469.174, subdivisions 4, 7, 10, 12, 16, 23, 24, and by adding subdivisions; 469.175, subdivisions 1, 3, 7, and by adding a subdivision; 469.176, subdivisions 1b, 1e, 4c, 4e, 4j, 5, and by adding a subdivision; 469.1765, subdivisions 2, 3, 4, and 7; 469.177, subdivision 3; 477A.011, subdivision 36; 477A.014, subdivision 4; 611.27, subdivision 4; amending Laws 1992, chapter 511, article 2, section 52; Laws 1993, chapter 375, articles 7, section 29; and 9, section 45, subdivision 2, 3, 4, and by adding a subdivision; Laws 1995, chapters 255, article 3, section 2, subdivision 1, as amended; 264, article 5, sections 44, subdivision 4, as amended; 45, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 14; 124; 273; 275; 290; 458D; 462A; 469; proposing coding for new law as Minnesota Statutes, chapter 297F; repealing Minnesota Statutes 1996, sections 3.982; 116.07, subdivision 10; 121.904, subdivision 4d; 124.91, subdivisions 2 and 7; 124.912, subdivisions 2 and 3; 270B.12, subdivision 11; 273.13, subdivision 32; 273.1317; 273.1318; 276.012; 290.0921; 290.0922; 290A.03, subdivisions 12a and 14; 290A.055; 290A.26; 297A.01, subdivisions 20 and 21; 297A.02, subdivision 5; 297A.45; 462.384, subdivision 7; 462.385, subdivision 2; 462.389, subdivision 5; 462.391, subdivisions 1, 2, 3, 4, 6, and 7; 462.392, subdivisions 8 and 9; 469.174, subdivision 19; 469.176, subdivision 4b; 645.34; repealing Laws 1995, chapter 264, article 4, as amended.

Ms. Olson moved to amend S.F. No. 493 as follows:

Page 259, line 11, after the second semicolon, insert "or"

Page 259, delete lines 12 to 18

Page 259, line 19, delete "(3)" and insert "(2)"

Page 260, line 20, after the semicolon, insert "and"

Page 260, delete lines 21 to 26 and insert:

"(4) an owner of a building or site containing multiple residences that generates mixed

municipal solid waste or nonmixed municipal solid waste, including apartment buildings, condominiums, or townhomes where no residence has separate trash pickup and no residence is separately billed for such service by the waste service provider."

Page 261, delete lines 10 to 12 and insert "pay an amount of tax for each residential generator of \$1.17 per calendar month."

Page 261, line 16, delete "but have separate waste"

Page 261, line 17, delete "pick up"

Page 261, delete lines 21 to 28

Page 261, line 29, after "as" insert "otherwise" and delete "subdivision" and insert "subdivisions 1 and"

Page 261, line 30, delete "for each residential"

Page 261, line 31, delete "generator" and delete "\$1.17" and insert "9.75 percent of the sale price of waste management services paid by the generator"

The motion prevailed. So the amendment was adopted.

Mr. Belanger moved to amend S.F. No. 493 as follows:

Page 32, after line 22, insert:

"Section 1. Minnesota Statutes 1996, section 124.2131, subdivision 1, is amended to read:

Subdivision 1. [ADJUSTED NET TAX CAPACITY.] (a) [COMPUTATION.] The department of revenue shall annually conduct an assessment/sales ratio study of the taxable property in each school district in accordance with the procedures in paragraphs (b) and (c). Based upon the results of this assessment/sales ratio study, the department of revenue shall determine an aggregate equalized net tax capacity for the various classes of taxable property in each school district, which tax capacity shall be designated as the adjusted net tax capacity. The department shall also, based upon the results of the assessment/sales ratio study, determine the equalized referendum market value for each school district which shall be designated as the adjusted referendum market value. The adjusted net tax capacities shall be determined using the net tax capacity percentages in effect for the assessment year following the assessment year of the study. The department of revenue shall make whatever estimates are necessary to account for changes in the classification system. The department of revenue may incur the expense necessary to make the determinations. The commissioner of revenue may reimburse any county or governmental official for requested services performed in ascertaining the adjusted net tax capacity. On or before March 15 annually, the department of revenue shall file with the chair of the tax committee of the house of representatives and the chair of the committee on taxes and tax laws of the senate a report of adjusted net tax capacities. On or before June 15 annually, the department of revenue shall file its final report on the adjusted net tax capacities established by the previous year's assessments and the current year's net tax capacity percentages with the commissioner of children, families, and learning and each county auditor for those school districts for which the auditor has the responsibility for determination of local tax rates. A copy of the report so filed shall be mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which each district is located.

(b) [METHODOLOGY.] In making its annual assessment/sales ratio studies, the department of revenue shall use a methodology consistent with the most recent Standard on Assessment Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers. The commissioner of revenue shall supplement this general methodology with specific procedures necessary for execution of the study in accordance with other Minnesota laws impacting the assessment/sales ratio study. The commissioner shall document these specific procedures in writing and shall publish the procedures in the State Register, but these procedures will not be considered "rules" pursuant to the Minnesota administrative procedure act. For

purposes of this section, sections 270.12, subdivision 2, clause (8), and 278.05, subdivision 4, the commissioner of revenue shall exclude from the assessment/sales ratio study the sale of any nonagricultural property which does not contain an improvement, if (1) the statutory basis on which the property's taxable value as most recently assessed is less than market value as defined in section 273.11, or (2) the property has undergone significant physical change or a change of use since the most recent assessment.

(c) [AGRICULTURAL LANDS.] For purposes of determining the adjusted net tax capacity of agricultural lands for the calculation of adjusted net tax capacities, the market value of agricultural lands shall be the price for which the property would sell in an arms length transaction.

(d) [FORCED SALES.] The commissioner may include forced sales in the assessment/sales ratio studies if it is determined by the commissioner that these forced sales indicate true market value.

(e) [STIPULATED VALUES AND ABATEMENTS.] The estimated market value to be used in calculating sales ratios shall be the value established by the assessor before any stipulations resulting from appeals by property owners and before any abatement unless the abatement was granted for the purpose of correcting mere clerical errors.

(f) [SALES OF INDUSTRIAL PROPERTY.] Separate sales ratios shall be calculated for commercial property and for industrial property. These two classes shall be combined only in jurisdictions in which there is not an adequate sample of sales in each class."

Page 37, after line 7, insert:

"Sec. 12. [124.917] [SCHOOL DISTRICT LEVIES.]

Subdivision 1. [CATEGORICAL PROGRAM LEVY.] "Categorical program levy" means a district's total levy less the sum of the district's basic general education program levy under section 124A.23, subdivision 2, debt service levy under section 124.97, and operating referendum levy under section 124A.03.

Subd. 2. [CATEGORICAL NET TAX CAPACITY LEVY.] For taxes payable in 1998 and later, each school district's categorical net tax capacity levy is equal to the lesser of its categorical program levy for taxes payable in 1997, or its categorical program levy for that year.

Subd. 3. [CATEGORICAL MARKET VALUE LEVY.] For taxes payable in 1998 and later, a district's categorical market value levy is equal to the difference between its categorical program levy under subdivision 1 and its categorical tax capacity levy under subdivision 2."

Page 38, delete section 13 and insert:

"Sec. 15. [124.975] [DEBT LEVY; MARKET VALUE.]

Except as otherwise provided in sections 124A.03 and 124A.0311, a school district levy imposed to pay obligations approved by the electors under section 475.58 after November 1, 1997, for taxes payable in 1998 or thereafter, must be levied against the referendum market value of all taxable property as defined in section 124A.02, subdivision 3b. A levy subject to the requirements of this section must be separately certified to the county auditor under section 275.07.

Sec. 16. Minnesota Statutes 1996, section 124A.03, subdivision 1g, is amended to read:

~~Subd. 1g. [REFERENDUM EQUALIZATION LEVY.] (a) For fiscal year 1996, a district's referendum equalization levy equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8.~~

(b) For fiscal year 1997 and thereafter, a district's referendum equalization levy for a referendum levied against the referendum market value of all taxable property as defined in section 124A.02, subdivision 3b, equals the district's referendum equalization revenue times the

lesser of one or the ratio of the district's adjusted referendum market value per actual pupil unit to \$476,000.

(e) (b) For fiscal year 1997 and thereafter, a district's referendum equalization levy for a referendum levied against the net tax capacity of all taxable property equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to 100 percent of the equalizing factor for that year.

Sec. 17. Minnesota Statutes 1996, section 124A.0311, subdivision 1, is amended to read:

Subdivision 1. [EXPIRATION.] Unless scheduled to expire sooner, a referendum levy authorized under section 124A.03 expires July 1, 2000. This subdivision does not apply to a referendum levy that is authorized for ten or fewer years and that is levied against the referendum market value of all taxable property located within the school district. A school board may, by resolution of its board, convert any portion of its referendum authority under section 124A.03, subdivision 2, that is authorized to be levied against net tax capacity to referendum authority that is authorized to be levied against the referendum market value of the school district.

Sec. 18. Minnesota Statutes 1996, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] The commissioner shall establish the general education tax rate by July 1 of each year for levies payable in the following year.

The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises \$1,054,000,000 for fiscal year 1996 and \$1,359,000,000 for fiscal year 1997 and 1998 and \$1,059,000,000 for fiscal year 1999 and later fiscal years. Any general education levy amount in excess of \$1,059,000,000 shall be separately specified and levied against the referendum market value.

For fiscal year 1999 and later, the general education referendum market value rate shall be a rate that, when applied to the adjusted referendum market value for all districts, raises a dollar amount equal to the difference between the total general education levy and \$1,059,000,000.

The general education tax rate rates may not be changed due to changes or corrections made to a district's adjusted net tax capacity or adjusted referendum market value after the tax rate has rates have been established.

Sec. 19. Minnesota Statutes 1996, section 124A.23, subdivision 2, is amended to read:

Subd. 2. [GENERAL EDUCATION LEVY.] To obtain general education revenue, excluding supplemental revenue, a district may levy an amount not to exceed the sum of the general education tax rate times the adjusted net tax capacity of the district for the preceding year and the general education referendum market value tax rate times the adjusted referendum market value of the district for the preceding year. If the amount of the general education levy would exceed the general education revenue, excluding supplemental revenue, the general education levy shall be determined according to subdivision 3.

Sec. 20. [179A.155] [TEACHER NEGOTIATIONS.]

Subdivision 1. [SALARIES AND FRINGE BENEFITS.] The commissioner of employee relations is the employer of all teachers in all school districts of the state for purposes of negotiating salaries and fringe benefits. Negotiations in this regard must be conducted according to subdivisions 3 and 4 and other relevant sections of this chapter.

Subd. 2. [OTHER TERMS AND CONDITIONS OF EMPLOYMENT.] All nonsalary and nonfringe benefit provisions that are subjects of bargaining must be negotiated between the school board and the exclusive representative of the appropriate unit of teachers that has been certified according to section 179A.12 or 179A.17.

Subd. 3. [REGIONAL BARGAINING COUNCILS.] Teachers in all school districts in the state must be represented for purposes of negotiating salaries and fringe benefits by a teacher regional bargaining council. There shall be a teacher regional bargaining council established for each of the 11 regions represented by the educational service cooperatives. Each teacher regional bargaining council shall be comprised of seven members. The seven members of each council must be apportioned among the statewide organizations in proportion to the aggregate number of teachers within the appropriate units for which that organization or its direct affiliate is the exclusive representative. However, any organization representing at least 12 percent of the total number of teachers within the appropriate teacher units in the applicable region may select at least one member of the council. The commissioner shall adopt rules establishing procedures for the biennial selection of the councils. The councils have no authority to negotiate, change, or abrogate a teacher collective bargaining agreement except in the area of salaries and fringe benefits.

Subd. 4. [PROCEDURES.] The commissioner of employee relations and the council shall begin negotiations before May 2 of an odd-numbered year."

Page 39, line 27, before "Minnesota" insert "(a)"

Page 39, after line 28, insert:

"(b) Minnesota Statutes 1996, section 124A.0311, subdivisions 2, 3, and 4, are repealed."

Pages 42 and 43, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1996, section 290A.04, subdivision 2, is amended to read:

Subd. 2. [HOMEOWNERS.] A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 1,029	1.2 percent	18 percent	\$440
1,030 to 2,059	1.3 percent	18 percent	\$440
2,060 to 3,099	1.4 percent	20 percent	\$440
3,100 to 4,129	1.6 percent	20 percent	\$440
4,130 to 5,159	1.7 percent	20 percent	\$440
5,160 to 7,229	1.9 percent	25 percent	\$440
7,230 to 8,259	2.1 percent	25 percent	\$440
8,260 to 9,289	2.2 percent	25 percent	\$440
9,290 to 10,319	2.3 percent	30 percent	\$440
10,320 to 11,349	2.4 percent	30 percent	\$440
11,350 to 12,389	2.5 percent	30 percent	\$440
12,390 to 14,449	2.6 percent	30 percent	\$440
14,450 to 15,479	2.8 percent	35 percent	\$440
15,480 to 16,509	3.0 percent	35 percent	\$440
16,510 to 17,549	3.2 percent	40 percent	\$440
17,550 to 21,669	3.3 percent	40 percent	\$440
21,670 to 24,769	3.4 percent	45 percent	\$440
24,770 to 30,959	3.5 percent	45 percent	\$440
30,960 to 36,119	3.5 percent	45 percent	\$440
36,120 to 41,279	3.7 percent	50 percent	\$440
41,280 to 58,829	4.0 percent	50 percent	\$440
58,830 to 59,859	4.0 percent	50 percent	\$310
59,860 to 60,889	4.0 percent	50 percent	\$210
60,890 to 61,929	4.0 percent	50 percent	\$100

<u>Household Income</u>	<u>Percent of Income</u>	<u>Percent Paid by Claimant</u>	<u>Maximum State Refund</u>
\$0 to 1,149	1.2 percent	18 percent	\$750
1,150 to 2,299	1.3 percent	18 percent	\$750
2,300 to 3,459	1.4 percent	20 percent	\$750
3,460 to 4,609	1.6 percent	20 percent	\$750
4,610 to 5,749	1.7 percent	20 percent	\$750
5,750 to 8,059	1.9 percent	25 percent	\$750
8,060 to 9,209	2.1 percent	25 percent	\$750
9,210 to 10,359	2.2 percent	25 percent	\$750
10,360 to 11,509	2.3 percent	30 percent	\$750
11,510 to 12,659	2.4 percent	30 percent	\$750
12,660 to 13,819	2.5 percent	30 percent	\$750
13,820 to 16,109	2.6 percent	30 percent	\$750
16,110 to 17,259	2.8 percent	35 percent	\$750
17,260 to 18,409	3.0 percent	35 percent	\$750
18,410 to 19,569	3.2 percent	40 percent	\$750
19,570 to 24,159	3.3 percent	40 percent	\$750
24,160 to 27,619	3.4 percent	45 percent	\$750
27,620 to 34,519	3.5 percent	45 percent	\$750
34,520 to 40,279	3.5 percent	45 percent	\$750
40,280 to 46,029	3.7 percent	50 percent	\$750
46,030 to 65,599	4.0 percent	50 percent	\$750
65,600 to 66,749	4.0 percent	50 percent	\$450
66,750 to 67,899	4.0 percent	50 percent	\$300
67,900 to 69,059	4.0 percent	50 percent	\$150

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~\$61,930~~ \$69,060 or more."

Page 103, after line 1, insert:

"Sec. 8. [275.071] [MARKET VALUE TAX.]

That portion of any county's, city's, town's, or special taxing district's levy which exceeds the jurisdiction's levy for taxes payable in 1997 shall be levied against the referendum market value of the jurisdiction, as defined in section 124A.02, subdivision 3b. When the jurisdiction reports its levy to the county auditor under section 275.07, it must separately identify the portion to be levied against net tax capacity and the portion to be levied against market value."

Pages 120 to 126, delete article 7

Renumber the articles and sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on S.F. No. 493. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 39, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Hottinger	Langseth	Novak	Scheid
Berglin	Johnson, D.J.	Lessard	Pappas	Solon
Betzold	Johnson, J.B.	Lourey	Piper	Spear
Cohen	Junge	Marty	Pogemiller	Ten Eyck
Fischbach	Kelley, S.P.	Metzen	Price	Vickerman
Flynn	Kelly, R.C.	Moe, R.D.	Ranum	Wiener
Foley	Kleis	Morse	Sams	Wiger
Hanson	Krentz	Murphy	Samuelson	

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

Mr. Larson moved to amend S.F. No. 493 as follows:

Page 138, after line 36, insert:

"Sec. 7. Minnesota Statutes 1996, section 273.11, subdivision 1a, is amended to read:

Subd. 1a. [LIMITED MARKET VALUE.] (a) For taxes payable in 1998, a property classified as agricultural homestead or nonhomestead, residential homestead or nonhomestead, residential real estate containing four or more units, or noncommercial seasonal recreational residential may not have a market value for property tax purposes greater than 110 percent of its market value or, if applicable, its limited market value, used in determining property taxes payable in 1996.

(b) For taxes payable in 1999 and thereafter, in the case of all property classified as agricultural homestead or nonhomestead, residential homestead or nonhomestead, residential real estate containing four or more units, 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) ten percent of the value in the preceding assessment, or (2) one-third of the difference between the current assessment and the preceding assessment the lesser of (1) five percent of the market value determined under this subdivision for the preceding assessment year, or (2) an amount equal to the market value determined under this subdivision for the preceding assessment year multiplied by the percentage rate of increase, if any, in the Consumer Price Index for all urban consumers as determined by the United States Department of Labor, Bureau of Labor Statistics, for the 12-month period ending October 31 of the preceding assessment year. This limitation shall not apply to increases in value due to improvements. For purposes of this subdivision, the term "assessment" means the value prior to any exclusion under subdivision 16.

(c) 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 shall be increased to the assessor's estimated market value.

~~The provisions of this subdivision shall be in effect only for assessment years 1993 through 1997.~~

(d) For purposes of the assessment/sales ratio study conducted under section 124.2131, and the computation of state aids paid under chapters 124, 124A, and 477A, market values and net tax capacities determined under this subdivision and subdivision 16, shall be used."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Johnson, D.E. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 42 and nays 20, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, J.B.	Lessard	Ourada	Scheevel
Berg	Junge	Limmer	Pariseau	Spear
Cohen	Kiscaden	Lourey	Price	Stevens
Day	Kleis	Metzen	Ranum	Terwilliger
Dille	Knutson	Murphy	Robertson	Wiener
Fischbach	Krentz	Neuville	Robling	Wiger
Frederickson	Laidig	Novak	Runbeck	
Hanson	Larson	Oliver	Sams	
Johnson, D.E.	Lesewski	Olson	Samuelson	

Those who voted in the negative were:

Anderson	Foley	Kelley, S.P.	Morse	Scheid
Berglin	Higgins	Langseth	Pappas	Solon
Betzold	Hottinger	Marty	Piper	Ten Eyck
Flynn	Johnson, D.J.	Moe, R.D.	Pogemiller	Vickerman

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved that S.F. No. 493 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 724 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 724: A bill for an act relating to transportation; exempting certain roads, streets, and highways from noise standards; clarifying that specific service signs may be placed at certain intersections of trunk highways; defining residential roadway; defining daytime and nighttime; directing the commissioner of transportation to determine cost reimbursement policies; correcting obsolete reference; directing commissioner of transportation to study and prepare a report proposing a comprehensive, statewide highway access management policy; directing transfer of ownership of licenses for public safety radio system frequencies; requiring reduced speed near stopped emergency vehicles; providing civil penalties; amending Minnesota Statutes 1996, sections 116.07, subdivision 2a; 160.292, subdivision 5; 169.01, subdivision 81, and by adding subdivisions; 169.14, subdivisions 3 and 5d; 174.23, by adding a subdivision; and 473.894, subdivision 3; repealing Minnesota Rules, parts 8840.0100; 8840.0200; 8840.0300; 8840.0400; 8840.0500; 8840.0600; 8840.0700; 8840.0800; 8840.0900; 8840.1000; 8840.1100; 8840.1200; and 8840.1300.

Mr. Kleis moved to amend S.F. No. 724 as follows:

Page 4, after line 19, insert:

"Sec. 8. Minnesota Statutes 1996, section 169.17, is amended to read:

169.17 [EMERGENCY VEHICLES.]

The speed limitations set forth in sections 169.14 to 169.17 do not apply to an authorized emergency vehicles when vehicle responding to an emergency calls call, but the drivers thereof its driver shall sound an audible signal by siren and or display at least one lighted red light to the front. This provision does not relieve the driver of an authorized emergency vehicle from the duty

to drive with due regard for the safety of persons using the street, nor does it protect the driver of an authorized emergency vehicle from the consequence of a reckless disregard of the safety of others."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Foley moved to amend S.F. No. 724 as follows:

Page 3, after line 6, insert:

"Sec. 6. Minnesota Statutes 1996, section 169.14, subdivision 2, is amended to read:

Subd. 2. [SPEED LIMITS.] (a) Where no special hazard exists the following speeds shall be lawful, but any speeds in excess of such limits shall be prima facie evidence that the speed is not reasonable or prudent and that it is unlawful; except that the speed limit within any municipality shall be a maximum limit and any speed in excess thereof shall be unlawful:

(1) 30 miles per hour in an urban district;

(2) ~~65~~ 70 miles per hour on freeways and expressways, as defined in section 160.02, subdivision ~~16~~, outside the limits of any urbanized area with a population of greater than 50,000 as defined by order of the commissioner of transportation;

(3) 65 miles per hour on freeways and expressways, as defined in section 160.02, subdivision 16, within the limits of any urbanized area with a population of greater than 50,000 as defined by order of the commissioner of transportation;

(4) 55 miles per hour in locations other than those specified in this section;

(4) ~~(5)~~ ten miles per hour in alleys; and

~~(5)~~ (6) 25 miles per hour in residential roadways if adopted by the road authority having jurisdiction over the residential roadway.

(b) A speed limit adopted under paragraph (a), clause ~~(5)~~ (6), is not effective unless the road authority has erected signs designating the speed limit and indicating the beginning and end of the residential roadway on which the speed limit applies."

Page 6, after line 9, insert:

"Minnesota Statutes 1996, section 169.14, subdivision 4a, is repealed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Dille moved to amend the Foley amendment to S.F. No. 724 as follows:

Page 1, after line 30, insert:

"Page 3, after line 10, insert:

"Sec. 7. Minnesota Statutes 1996, section 169.686, subdivision 1, is amended to read:

Subdivision 1. [SEAT BELT REQUIREMENT.] A properly adjusted and fastened seat belt, including both the shoulder and lap belt when the vehicle is so equipped, shall be worn by:

(1) the driver of a passenger vehicle or commercial motor vehicle;

(2) a passenger riding in the front seat of a passenger vehicle or commercial motor vehicle; and

(3) a passenger riding in any seat of a passenger vehicle who is older than three but younger than 11 years of age.

A person who is 15 years of age or older and who violates clause (1) or (2) is subject to a fine of \$25. The driver of the passenger vehicle or commercial motor vehicle in which the violation occurred is subject to a \$25 fine for a violation of clause (2) or (3) by a child of the driver under the age of 15 or any child under the age of 11. ~~A peace officer may not issue a citation for a violation of this section unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation other than a violation involving motor vehicle equipment.~~ The department of public safety shall not record a violation of this subdivision on a person's driving record.

Sec. 8. Minnesota Statutes 1996, section 169.686, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION; SPECIAL ACCOUNT.] The fines collected for a violation of subdivision 1 must be deposited in the state treasury and credited to a special account to be known as the emergency medical services relief account. Ninety percent of the money in the account shall be distributed to the eight regional emergency medical services systems designated by the emergency medical services regulatory board under section 144.8093, for personnel education and training, equipment and vehicle purchases, and operational expenses of emergency life support transportation services. The board of directors of each emergency medical services region shall establish criteria for funding. Ten percent of the money in the account shall be distributed to the commissioner of public safety for the expenses of traffic safety educational programs conducted by state patrol troopers. Any fines collected for violations of subdivision 1, in excess of the amount collected in fiscal year 1997 for violations of subdivision 1, shall be distributed to the commissioner of public safety for the expenses of educational programs related to seat belt use."

Page 5, line 9, after the period, insert "Section 7 is effective August 1, 1997, and applies to violations committed on and after that date."

Mr. Berg questioned whether the amendment to the amendment was germane.

The President ruled that the amendment to the amendment was not germane.

Ms. Berglin questioned whether the Foley amendment was germane.

The President ruled that the Foley amendment was germane.

CALL OF THE SENATE

Mr. Foley imposed a call of the Senate for the balance of the proceedings on S.F. No. 724. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Cohen moved to amend the Foley amendment to S.F. No. 724 as follows:

Page 1, line 19, before the semicolon, insert ", except for I-35E between I-94 and West 7th Street, where the speed limit shall be 45 miles per hour"

The question was taken on the adoption of the Cohen amendment to the Foley amendment.

The roll was called, and there were yeas 35 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Kelly, R.C.	Moe, R.D.	Robling
Betzold	Hottinger	Kiscaden	Morse	Runbeck
Cohen	Janezich	Krentz	Murphy	Sams
Flynn	Johnson, D.J.	Langseth	Novak	Spear
Foley	Johnson, J.B.	Larson	Oliver	Ten Eyck
Frederickson	Junge	Lourey	Pappas	Vickerman
Hanson	Kelley, S.P.	Marty	Price	Wiger

Those who voted in the negative were:

Belanger	Johnson, D.E.	Limmer	Piper	Stevens
Berg	Kleis	Metzen	Robertson	Terwilliger
Berglin	Knutson	Neuville	Samuelson	Wiener
Day	Laidig	Olson	Scheevel	
Dille	Lesewski	Ourada	Scheid	
Fischbach	Lessard	Pariseau	Solon	

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

Mr. Scheevel moved to amend the Foley amendment to S.F. No. 724 as follows:

Page 1, line 12, reinstate the stricken "65" and delete "70"

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

The question recurred on the Foley amendment, as amended.

The roll was called, and there were yeas 43 and nays 19, as follows:

Those who voted in the affirmative were:

Belanger	Janezich	Lesewski	Ourada	Solon
Berg	Johnson, D.E.	Lessard	Pariseau	Spear
Cohen	Johnson, J.B.	Limmer	Piper	Stevens
Day	Junge	Marty	Robertson	Ten Eyck
Fischbach	Kelly, R.C.	Metzen	Runbeck	Terwilliger
Foley	Kiscaden	Morse	Sams	Wiener
Frederickson	Kleis	Neuville	Samuelson	Wiger
Hanson	Knutson	Oliver	Scheevel	
Higgins	Langseth	Olson	Scheid	

Those who voted in the negative were:

Anderson	Flynn	Krentz	Moe, R.D.	Price
Berglin	Hottinger	Laidig	Murphy	Robling
Betzold	Johnson, D.J.	Larson	Novak	Vickerman
Dille	Kelley, S.P.	Lourey	Pappas	

The motion prevailed. So the Foley amendment, as amended, was adopted.

Mr. Dille moved to amend S.F. No. 724 as follows:

Page 4, after line 19, insert:

"Sec. 8. Minnesota Statutes 1996, section 169.686, subdivision 1, is amended to read:

Subdivision 1. [SEAT BELT REQUIREMENT.] A properly adjusted and fastened seat belt, including both the shoulder and lap belt when the vehicle is so equipped, shall be worn by:

- (1) the driver of a passenger vehicle or commercial motor vehicle;
- (2) a passenger riding in the front seat of a passenger vehicle or commercial motor vehicle; and
- (3) a passenger riding in any seat of a passenger vehicle who is older than three but younger than 11 years of age.

A person who is 15 years of age or older and who violates clause (1) or (2) is subject to a fine of \$25. The driver of the passenger vehicle or commercial motor vehicle in which the violation occurred is subject to a \$25 fine for a violation of clause (2) or (3) by a child of the driver under the age of 15 or any child under the age of 11. ~~A peace officer may not issue a citation for a violation of this section unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation other than a violation involving motor vehicle equipment.~~ The department of public safety shall not record a violation of this subdivision on a person's driving record.

Sec. 9. Minnesota Statutes 1996, section 169.686, subdivision 3, is amended to read:

Subd. 3. [~~APPROPRIATION; SPECIAL ACCOUNT.~~] The fines collected for a violation of subdivision 1 must be deposited in the state treasury and credited to a special account to be known as the emergency medical services relief account. ~~Ninety percent of the money in the account shall be distributed to the eight regional emergency medical services systems designated by the emergency medical services regulatory board under section 144.8093, for personnel education and training, equipment and vehicle purchases, and operational expenses of emergency life support transportation services. The board of directors of each emergency medical services region shall establish criteria for funding. Ten percent of the money in the account shall be distributed to the commissioner of public safety for the expenses of traffic safety educational programs conducted by state patrol troopers.~~

Sec. 10. Minnesota Statutes 1996, section 169.686, is amended by adding a subdivision to read:

Subd. 4. [EDUCATION AND INJURY PREVENTION.] A sum of money equal to ten percent of the total of the funds in the special account shall be distributed to the emergency medical services regulatory board, established in chapter 144E, to create, in cooperation with the regional emergency medical services systems and the office of traffic safety in the department of public safety, a public education and injury prevention program. The program must focus on increasing proper use of seat belts and child passenger restraint systems and on promoting safe operation of recreational motor vehicles, as defined in section 84.90, subdivision 1a.

Sec. 11. Minnesota Statutes 1996, section 169.686, is amended by adding a subdivision to read:

Subd. 5. [EMERGENCY SERVICES; SAFETY PROGRAMS.] After the deduction for the education and injury prevention program provided for in subdivision 4, 90 percent of the money in the special account shall be distributed to the eight regional emergency medical services systems designated by the emergency medical services regulatory board under section 144.8093, for personnel education and training, equipment and vehicle purchases, and operational expenses of emergency life support transportation services. The board of directors of each emergency medical services region shall establish criteria for funding. Ten percent of the money in the account shall be distributed to the commissioner of public safety for the expenses of the public education and injury prevention programs established in subdivision 4."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Berg questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Kleis moved to amend S.F. No. 724 as follows:

Page 4, after line 19, insert:

"Sec. 8. Minnesota Statutes 1996, section 169.81, subdivision 3c, is amended to read:

Subd. 3c. [RECREATIONAL VEHICLE COMBINATIONS.] Notwithstanding subdivision 3, a recreational vehicle combination may be operated without a permit if:

- (1) the combination does not consist of more than three vehicles, and the towing rating of the pickup truck is equal to or greater than the total weight of all vehicles being towed;
- (2) the combination does not exceed 60 feet in length;
- (3) the camper-semitrailer in the combination does not exceed 28 feet in length ~~until August 1, 1997, and 26 feet thereafter;~~
- (4) the operator of the combination is at least 18 years of age;

(5) the trailer carrying a watercraft meets all requirements of law;

(6) the trailers in the combination are connected to the pickup truck and each other in conformity with section 169.82; and

(7) the combination is not operated within the seven-county metropolitan area, as defined in section 473.121, subdivision 2, during the hours of 6:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m. on Mondays through Fridays."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 8, after the second semicolon, insert "removing sunset date relating to recreational vehicle combination length;"

Page 1, line 18, after the first semicolon, insert "169.81, subdivision 3c;"

Ms. Flynn questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 724 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 47 and nays 10, as follows:

Those who voted in the affirmative were:

Belanger	Janezich	Lesewski	Olson	Solon
Berg	Johnson, D.E.	Lessard	Ourada	Spear
Betzold	Johnson, D.J.	Limmer	Pappas	Ten Eyck
Cohen	Johnson, J.B.	Marty	Pariseau	Terwilliger
Day	Junge	Metzen	Piper	Vickerman
Fischbach	Kelley, S.P.	Moe, R.D.	Robertson	Wiener
Foley	Kelly, R.C.	Morse	Runbeck	Wiger
Frederickson	Kleis	Neuville	Sams	
Hanson	Knutson	Novak	Scheevel	
Higgins	Langseth	Oliver	Scheid	

Those who voted in the negative were:

Anderson	Flynn	Laidig	Lourey	Price
Dille	Krentz	Larson	Murphy	Robling

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 97 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 97: A bill for an act relating to health; providing for the isolation and detention of persons with active tuberculosis who pose an endangerment to the public health; establishing standards and procedures for isolation and detention; requiring reporting by licensed health professionals; modifying tuberculosis screening requirements; appropriating money; amending Minnesota Statutes 1996, section 144.445, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 144.

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 54 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Langseth	Neuville	Sams
Belanger	Janezich	Larson	Novak	Scheevel
Betzold	Johnson, D.E.	Lesewski	Oliver	Scheid
Cohen	Johnson, D.J.	Lessard	Olson	Solon
Day	Johnson, J.B.	Limmer	Ourada	Spear
Dille	Kelley, S.P.	Lourey	Pappas	Ten Eyck
Fischbach	Kelly, R.C.	Marty	Pariseau	Terwilliger
Flynn	Kleis	Metzen	Piper	Vickerman
Foley	Knutson	Moe, R.D.	Robertson	Wiener
Frederickson	Krentz	Morse	Robling	Wiger
Hanson	Laidig	Murphy	Runbeck	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 457 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 457: A bill for an act relating to professions; modifying provisions relating to the board of social work; providing civil penalties; amending Minnesota Statutes 1996, sections 13.99, subdivision 50; 148B.01, subdivisions 4 and 7; 148B.03; 148B.04, subdivisions 2, 3, and 4; 148B.06, subdivision 3; 148B.07; 148B.08, subdivision 2; 148B.18, subdivisions 4, 5, 11, and by adding subdivisions; 148B.19, subdivisions 1, 2, and 4; 148B.20, subdivision 1, and by adding a subdivision; 148B.21, subdivisions 3, 4, 5, 6, 7, and by adding a subdivision; 148B.215; 148B.22, by adding a subdivision; 148B.26, subdivision 1, and by adding a subdivision; 148B.27, subdivisions 1 and 2; and 148B.28, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1996, sections 148B.01, subdivision 3; 148B.18, subdivisions 6 and 7; 148B.19, subdivision 3; and 148B.23.

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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Laidig	Novak	Sams
Belanger	Higgins	Larson	Oliver	Scheevel
Berg	Janezich	Lesewski	Olson	Scheid
Betzold	Johnson, D.E.	Lessard	Ourada	Spear
Cohen	Johnson, J.B.	Limmer	Pappas	Ten Eyck
Day	Junge	Lourey	Pariseau	Terwilliger
Dille	Kelley, S.P.	Marty	Piper	Vickerman
Fischbach	Kelly, R.C.	Metzen	Piper	Wiener
Flynn	Kleis	Moe, R.D.	Robertson	Wiger
Foley	Knutson	Morse	Robling	
Frederickson	Krentz	Neuville	Runbeck	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1122 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1122: A bill for an act relating to local governments; establishing an advisory council on local government roles and responsibilities.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Knutson	Morse	Scheid
Belanger	Higgins	Krentz	Novak	Solon
Berg	Janezich	Laidig	Oliver	Spear
Betzold	Johnson, D.E.	Langseth	Ourada	Ten Eyck
Cohen	Johnson, D.J.	Lesewski	Pappas	Terwilliger
Dille	Johnson, J.B.	Lessard	Piper	Vickerman
Fischbach	Junge	Lourey	Robertson	Wiener
Flynn	Kelley, S.P.	Marty	Robling	Wiger
Foley	Kelly, R.C.	Metzen	Runbeck	
Frederickson	Kleis	Moe, R.D.	Sams	

Messrs. Larson, Limmer and Mrs. Pariseau voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 513 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 513: A bill for an act relating to public nuisance; adding to the acts that constitute a nuisance; modifying nuisance remedies and procedures; amending Minnesota Statutes 1996, sections 617.81, subdivision 2; 617.82; 617.83; and 617.85; repealing Minnesota Statutes 1996, section 617.80, subdivision 6.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kleis	Moe, R.D.	Runbeck
Belanger	Hanson	Knutson	Morse	Sams
Berg	Higgins	Krentz	Oliver	Samuelson
Betzold	Janezich	Laidig	Ourada	Scheid
Cohen	Johnson, D.E.	Lesewski	Pappas	Spear
Day	Johnson, D.J.	Lessard	Pariseau	Ten Eyck
Dille	Johnson, J.B.	Limmer	Piper	Terwilliger
Fischbach	Junge	Lourey	Price	Vickerman
Flynn	Kelley, S.P.	Marty	Robertson	Wiener
Foley	Kelly, R.C.	Metzen	Robling	Wiger

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 575 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 575: A bill for an act relating to employment; modifying requirements for drug and alcohol testing; clarifying provisions on review of personnel records by employees; setting a limit for penalties on unpaid OSHA fines; providing the criminal penalty of gross misdemeanor for an assault on an occupational safety and health investigator; amending Minnesota Statutes 1996,

sections 181.953, subdivision 6; 181.961, subdivision 2; 182.666, subdivision 7; and 609.2231, subdivision 6.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Laidig	Oliver	Scheevel
Belanger	Janezich	Larson	Olson	Scheid
Berg	Johnson, D.E.	Lesewski	Ourada	Solon
Betzold	Johnson, D.J.	Lessard	Pappas	Spear
Day	Johnson, J.B.	Limmer	Pariseau	Ten Eyck
Dille	Junge	Lourey	Piper	Terwilliger
Fischbach	Kelley, S.P.	Marty	Price	Vickerman
Flynn	Kelly, R.C.	Metzen	Robertson	Wiener
Foley	Kleis	Morse	Robling	Wiger
Frederickson	Knutson	Neuville	Runbeck	
Hanson	Krentz	Novak	Sams	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 512 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 512: A bill for an act relating to employment; making technical and administrative changes in the department of employee relations; modifying provisions governing state employment; modifying terms of certain pilot projects; requiring a study and report; amending Minnesota Statutes 1996, sections 13.67; 15.53, subdivision 2; 43A.04, subdivision 1; 43A.07, subdivision 5; 43A.08, subdivision 1; 43A.17, subdivision 4; 43A.18, by adding a subdivision; 43A.27, subdivision 3; 43A.30, subdivisions 4 and 5; and 352D.02, subdivision 1; Laws 1993, chapter 301, section 1, subdivision 4; and Laws 1995, chapter 248, articles 12, section 2; and 13, sections 2, subdivisions 2, 5, and 6; and 3, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 15; and 43A; repealing Minnesota Statutes 1996, section 43A.182; and Laws 1995, chapter 248, article 10, section 12.

Ms. Runbeck moved to amend S.F. No. 512 as follows:

Page 2, line 36, delete "15.0575, 15.059, or"

Pages 9 to 11, delete section 14

Page 16, delete section 22

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Flynn moved to amend S.F. No. 512 as follows:

Pages 6 and 7, delete sections 8 and 9

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 512 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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Langseth	Novak	Scheevel
Belanger	Janezich	Larson	Oliver	Scheid
Berg	Johnson, D.E.	Lesewski	Olson	Solon
Betzold	Johnson, D.J.	Lessard	Ourada	Spear
Cohen	Johnson, J.B.	Limmer	Pappas	Ten Eyck
Day	Junge	Lourey	Pariseau	Terwilliger
Dille	Kelley, S.P.	Marty	Piper	Vickerman
Fischbach	Kelly, R.C.	Metzen	Price	Wiener
Flynn	Kleis	Moe, R.D.	Robertson	Wiger
Foley	Knutson	Morse	Robling	
Frederickson	Krentz	Murphy	Runbeck	
Hanson	Laidig	Neuville	Sams	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 493 be taken from the table. The motion prevailed.

S.F. No. 493: A bill for an act relating to the financing and operation of state and local government; providing property tax class rate reform; providing for education financing; providing for calculation of rent constituting property taxes; providing increased property tax refunds for homeowners; changing truth-in-taxation requirements; providing for joint truth-in-taxation hearings; imposing levy limits on cities and counties for taxes levied in 1997 and 1998; changing fiscal note requirements for state mandates; providing for reimbursement for costs of state mandate; requiring periodic review of administrative rules; reducing or repealing certain corporate taxes; imposing a business activity tax; making miscellaneous property tax changes; providing procedures for the apportionment of a local government unit; providing for increase in city aid base; changing tax increment financing provisions; providing for heritage and historic subdistricts; authorizing certain tax increment districts; exempting certain tax increment districts from certain requirements; authorizing local tax levies, abatements, and assessments; conforming certain income tax laws with changes in federal law; modifying certain income tax definitions and formulas; providing income tax credits; imposing the sales tax on certain tangible personal property and services; modifying the application of sales and excise taxes; exempting certain purchases from the sales tax; authorizing the city of Willmar to impose sales and excise taxes; modifying waste management tax and taconite tax provisions; increasing the budget reserve; revising the law governing regional development commissions; requiring reports; appropriating money; amending Minnesota Statutes 1996, sections 16A.152, subdivision 2; 93.41; 103D.905, subdivisions 4, 5, and by adding a subdivision; 115A.554; 124.195, subdivisions 7 and 10; 124.239, subdivision 5, and by adding subdivisions; 124.2716, subdivision 3; 124.2727, subdivision 6b; 124.312, subdivisions 4 and 5; 124.314, subdivision 2; 124.83, subdivision 4; 124.95, subdivisions 1 and 4; 124A.23, subdivision 1; 216B.16, by adding a subdivision; 270B.01, subdivision 8; 272.02, subdivision 1; 273.11, subdivisions 1 and 16; 273.112, subdivisions 1, 2, 3, and 4; 273.12; 273.124, by adding a subdivision; 273.13, subdivisions 22, 23, 24, 25, 31, and by adding a subdivision; 273.1398, subdivisions 4 and 8; 273.1399, subdivision 6, and by adding a subdivision; 275.065, subdivisions 1, 3, 5a, 6, 8, and by adding subdivisions; 275.16; 276.04, subdivision 2; 281.13; 281.23, subdivision 6, and by adding a subdivision; 281.273; 281.276; 282.01, subdivision 8; 282.04, subdivision 1; 289A.02, subdivision 7; 290.01, subdivisions 19, 19a, 19b, 19c, 19d, 19f, 19g, and 31; 290.014, subdivisions 2 and 3; 290.015, subdivisions 3 and 5; 290.06, subdivisions 1, 22, and by adding a subdivision; 290.068, subdivision 1; 290.0922, subdivision 1; 290.17, subdivision 1; 290.191, subdivision 4; 290.371, subdivision 2; 290.9725; 290.9727, subdivision 1; 290.9728, subdivision 1; 290A.03, subdivisions 11 and 13; 290A.04, subdivisions 2 and 6; 290A.19; 291.005, subdivision 1; 296.141, subdivision 4; 296.18,

subdivision 1; 297A.01, subdivisions 3, 4, 7, 11, 15, and 16; 297A.09; 297A.15, subdivision 7; 297A.25, subdivisions 2, 7, 11, 11, 16, 56, 59, and by adding subdivisions; 297A.44, subdivision 1; 297B.01, subdivisions 7 and 8; 297E.04, subdivision 3; 298.24, subdivision 1; 298.296, subdivision 4; 298.75, subdivision 1, 4, and by adding a subdivision; 325D.33, subdivision 3; 349.12, subdivision 26a; 349.163, subdivision 8; 373.40, subdivision 7; 375.192, subdivision 2; 383A.75, subdivision 3; 462.381; 462.383; 462.384; 462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387; 462.388; 462.389, subdivisions 1, 3, and 4; 462.39, subdivisions 2 and 3 and by adding a subdivision; 462.391, subdivision 5, and by adding subdivisions; 462.393; 462.394; 462.396, subdivisions 1, 3, and 4; 462.398; 465.71; 465.81, subdivisions 1 and 3; 465.82, subdivisions 1, 2, and by adding a subdivision; 465.87, subdivisions 1a and 2; 465.88; 469.040, subdivision 3, and by adding a subdivision; 469.169, by adding a subdivision; 469.174, subdivisions 4, 7, 10, 12, 16, 23, 24, and by adding subdivisions; 469.175, subdivisions 1, 3, 7, and by adding a subdivision; 469.176, subdivisions 1b, 1e, 4c, 4e, 4j, 5, and by adding a subdivision; 469.1765, subdivisions 2, 3, 4, and 7; 469.177, subdivision 3; 477A.011, subdivision 36; 477A.014, subdivision 4; 611.27, subdivision 4; amending Laws 1992, chapter 511, article 2, section 52; Laws 1993, chapter 375, articles 7, section 29; and 9, section 45, subdivision 2, 3, 4, and by adding a subdivision; Laws 1995, chapters 255, article 3, section 2, subdivision 1, as amended; 264, article 5, sections 44, subdivision 4, as amended; 45, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 14; 124; 273; 275; 290; 458D; 462A; 469; proposing coding for new law as Minnesota Statutes, chapter 297F; repealing Minnesota Statutes 1996, sections 3.982; 116.07, subdivision 10; 121.904, subdivision 4d; 124.91, subdivisions 2 and 7; 124.912, subdivisions 2 and 3; 270B.12, subdivision 11; 273.13, subdivision 32; 273.1317; 273.1318; 276.012; 290.0921; 290.0922; 290A.03, subdivisions 12a and 14; 290A.055; 290A.26; 297A.01, subdivisions 20 and 21; 297A.02, subdivision 5; 297A.45; 462.384, subdivision 7; 462.385, subdivision 2; 462.389, subdivision 5; 462.391, subdivisions 1, 2, 3, 4, 6, and 7; 462.392, subdivisions 8 and 9; 469.174, subdivision 19; 469.176, subdivision 4b; 645.34; repealing Laws 1995, chapter 264, article 4, as amended.

Mr. Morse moved to amend S.F. No. 493 as follows:

Pages 112 to 120, delete article 6 and insert:

"ARTICLE 6
STATE MANDATES

Section 1. [3.986] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 3.986 to 3.989 have the meanings given them in this section.

Subd. 2. [LOCAL FISCAL IMPACT.] (a) "Local fiscal impact" means increased or decreased costs or revenues that a political subdivision would incur as a result of a law enacted after June 30, 1997, or rule proposed after June 30, 1998:

(1) that mandates a new program, eliminates an existing mandated program, requires an increased level of service of an existing program, or permits a decreased level of service in an existing mandated program;

(2) that implements or interprets federal law and, by its implementation or interpretation, increases or decreases program or service levels beyond the level required by the federal law;

(3) that implements or interprets a statute or amendment adopted or enacted pursuant to the approval of a statewide ballot measure by the voters and, by its implementation or interpretation, increases or decreases program or service levels beyond the levels required by the ballot measure;

(4) that removes an option previously available to political subdivisions, or adds an option previously unavailable to political subdivisions, thus requiring higher program or service levels or permitting lower program or service levels, or prohibits a specific activity and so forces political subdivisions to use a more costly alternative to provide a mandated program or service;

(5) that requires that an existing program or service be provided in a shorter time period and thus increases the cost of the program or service, or permits an existing mandated program or service to be provided in a longer time period, thus permitting a decrease in the cost of the program or service;

(6) that adds new requirements to an existing optional program or service and thus increases the cost of the program or service because the political subdivisions have no reasonable alternative other than to continue the optional program;

(7) that affects local revenue collections by changes in property or sales and use tax exemptions;

(8) that requires costs previously incurred at local option that have subsequently been mandated by the state; or

(9) that requires payment of a new fee or increases the amount of an existing fee, or permits the elimination or decrease of an existing fee mandated by the state.

(b) When state law is intended to achieve compliance with federal law or court orders, state mandates shall be determined as follows:

(1) if the federal law or court order is discretionary, the state law is a state mandate;

(2) if the state law exceeds what is required by the federal law or court order, only the provisions of the state law that exceed the federal requirements are a state mandate; and

(3) if the state law does not exceed what is required by the federal statute or regulation or court order, the state law is not a state mandate.

Subd. 3. [MANDATE.] A "mandate" is a requirement imposed upon a political subdivision in a law by a state agency or by judicial authority that, if not complied with, results in:

(1) civil liability;

(2) criminal penalty; or

(3) administrative sanctions such as reduction or loss of funding.

Subd. 4. [POLITICAL SUBDIVISION.] A "political subdivision" is a county, home rule charter or statutory city, town, or other taxing district or municipal corporation.

Subd. 5. [REQUIRING AN INCREASED LEVEL OF SERVICE.] "Requiring an increased level of service" includes requiring that an existing service be provided in a shorter time.

Sec. 2. [3.987] [LOCAL IMPACT TO NOTES FOR STATE-MANDATED ACTIONS.]

Subdivision 1. [LOCAL IMPACT NOTES.] The commissioner of finance shall coordinate the development of a local impact note for any proposed legislation or rule proposed after June 30, 1998, upon request of the chair or the ranking minority member of either legislative tax committee. The local impact note must be prepared as provided in section 3.98, subdivision 2, and made available to the public upon request. If the action is among the exceptions listed in section 3.988, a local impact note need not be requested nor prepared. The commissioner shall make a reasonable and timely estimate of the local fiscal impact on each type of political subdivision that would result from the proposed legislation. The commissioner of finance may require any political subdivision or the commissioner of an administrative agency of the state to supply in a timely manner any information determined to be necessary to determine local fiscal impact. The political subdivision, its representative association, or commissioner shall convey the requested information to the commissioner of finance with a signed statement to the effect that the information is accurate and complete to the best of its ability. The political subdivision, its representative association, or commissioner, when requested, shall update its determination of local fiscal impact based on actual cost or revenue figures, improved estimates, or both.

Subd. 2. [MANDATE EXPLANATIONS.] Any bill introduced in the legislature after June 30, 1997, that seeks to impose program or financial mandates on political subdivisions must include an attachment from the author that gives appropriate responses to the following guidelines. It must state and list:

(1) the policy goals that are sought to be attained, the performance standards that are to be imposed, and an explanation why the goals and standards will best be served by requiring compliance by political subdivisions;

(2) performance standards that will allow political subdivisions flexibility and innovation of method in achieving those goals;

(3) the reasons for each prescribed standard and the process by which each standard governs input such as staffing and other administrative aspects of the program;

(4) the sources of additional revenue, in addition to existing funding for similar programs, that are directly linked to imposition of the mandates that will provide adequate and stable funding for their requirements;

(5) what input has been obtained to ensure that the implementing agencies have the capacity to carry out the delegated responsibilities; and

(6) the reasons why less intrusive measures such as financial incentives or voluntary compliance would not yield the equity, efficiency, or desired level of statewide uniformity in the proposed program.

Subd. 3. [LOCAL INVOLVEMENT; LAWS.] Any bill introduced in the legislature after June 30, 1997, that seeks to impose a program or financial mandate on political subdivisions must include an attachment prepared by the author that describes the efforts put forth, if any, to involve political subdivisions in the creation or development of the proposed mandate.

Subd. 4. [NO MANDATE RESTRICTION.] Except as specifically provided by this act, nothing in this act restricts or eliminates the authority of the state to create or impose programs by law upon political subdivisions.

Sec. 3. [3.988] [EXCEPTIONS TO LOCAL IMPACT NOTES.]

Subdivision 1. [COSTS RESULTING FROM INFLATION.] A local impact note need not be prepared for increases in the cost of providing an existing service if the increases result directly from inflation. "Resulting directly from inflation" means attributable to maintaining an existing level of service rather than increasing the level of service. A cost-of-living increase in welfare benefits is an example of a cost resulting directly from inflation.

Subd. 2. [MISCELLANEOUS EXCEPTIONS.] A local impact note or an attachment as provided in section 3.987, subdivision 2, need not be prepared if the law:

(1) provides only clarifying or conforming, nonsubstantive charges on local government;

(2) imposes additional net local costs that are minor and do not cause a financial burden on local government;

(3) is a law enacted before July 1, 1997;

(4) implements something other than a law, such as a federal, court, or voter-approved mandate;

(5) requires the holding of elections;

(6) insures due process or equal protection;

(7) provides for the notification and conduct of public meetings;

(8) establishes the procedures for administrative and judicial review of actions taken by political subdivisions;

(9) protects the public from malfeasance, misfeasance, or nonfeasance by officials of political subdivisions;

(10) relates directly to financial administration, including the administrative costs associated with the levy, assessment, and collection of taxes;

(11) relates directly to the preparation and submission of financial audits necessary to the administration of state laws; or

(12) requires uniform standards to apply to public and private institutions without differentiation.

Sec. 4. [14.431] [PERIODIC REVIEW OF ADMINISTRATIVE RULES.]

Subdivision 1. [DEFINITIONS.] The terms defined in section 3.986, subdivision 1, apply to this section.

Subd. 2. [SIGNIFICANT FINANCIAL IMPACT.] The commissioner of finance shall review, every five years, rules adopted after June 30, 1997, that have significant financial impact upon political subdivisions. In this section, "significant financial impact" means requiring local political subdivisions to expand existing services, employ additional personnel, or increase local expenditures. The commissioner shall determine the costs and benefits of each rulemaking and submit a report to the legislative coordinating commission with its opinion, if any, for the continuation, modification, or elimination of the rules in the rulemaking.

Sec. 5. Minnesota Statutes 1996, section 273.1398, subdivision 8, is amended to read:

Subd. 8. [APPROPRIATION.] (a) An amount sufficient to pay the aids and credits provided under this section for school districts, intermediate school districts, or any group of school districts levying as a single taxing entity, is annually appropriated from the general fund to the commissioner of children, families, and learning. An amount sufficient to pay the aids and credits provided under this section for counties, cities, towns, and special taxing districts is annually appropriated from the general fund to the commissioner of revenue. A jurisdiction's aid amount may be increased or decreased based on any prior year adjustments for homestead credit or other property tax credit or aid programs.

(b) The commissioner of finance shall bill the commissioner of revenue for the cost of preparation of local impact notes as required by section 3.987 only to the extent to which those costs exceed those costs incurred in fiscal year 1997 and for any other new costs attributable to the local impact note function required by section 3.987, not to exceed \$50,000 in fiscal year 1998 and thereafter.

The commissioner of revenue shall deduct the amount billed under this paragraph from aid payments to be made to cities and counties under subdivision 2 on a pro rata basis.

Sec. 6. [STUDY REQUIRED.]

The department of finance shall study and make recommendations on the most effective means of implementing the review required under section 4. The department shall report on the conclusions of the study to the senate and house committees on taxes by January 15, 1998.

Sec. 7. [REPEALER.]

Minnesota Statutes 1996, section 3.982, is repealed."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. moved to amend S.F. No. 493 as follows:

Page 67, line 4, delete "and"

The motion prevailed. So the amendment was adopted.

Mr. Belanger moved to amend S.F. No. 493 as follows:

Page 217, delete section 1

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Ms. Runbeck moved to amend S.F. No. 493 as follows:

Page 142, after line 31, insert:

"Improvements made to homestead property shall be fully excluded from the value of the property for assessment purposes if the assessor is able to verify that the actual physical work of making the improvement was done by the owner of the homestead or by non-paid volunteers. The house age and value restrictions applicable to other property for which the valuation exclusion is provided under this subdivision do not apply to homes that are improved by the owner under this paragraph, but all other provisions relating to the benefits provided under and the administration of this subdivision apply to improvements described in this paragraph."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 43, as follows:

Those who voted in the affirmative were:

Day	Johnson, D.E.	Lessard	Pariseau	Terwilliger
Dille	Kelly, R.C.	Limmer	Runbeck	
Fischbach	Kleis	Oliver	Scheevel	
Frederickson	Laidig	Olson	Stevens	

Those who voted in the negative were:

Anderson	Higgins	Langseth	Neuville	Samuelson
Belanger	Hottinger	Larson	Novak	Solon
Berg	Johnson, D.J.	Lesewski	Ourada	Spear
Berglin	Johnson, J.B.	Lourey	Pappas	Ten Eyck
Betzold	Junge	Marty	Piper	Vickerman
Cohen	Kelley, S.P.	Metzen	Price	Wiener
Flynn	Kiscaden	Moe, R.D.	Ranum	Wiger
Foley	Knutson	Morse	Robling	
Hanson	Krentz	Murphy	Sams	

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

Mr. Hottinger moved to amend S.F. No. 493 as follows:

Page 129, line 25, delete the colon

Page 129, line 26, delete "(i)"

Page 129, lines 29 to 31, delete the new language

Pages 145 and 146, delete section 12

Pages 175 and 176, delete section 46 and insert:

"Sec. 45. [REPORT; ELDERLY ASSISTED LIVING CARE FACILITIES.]

The department of revenue shall conduct a survey with all county assessors and with representatives of elderly assisted living care facilities of the tax status of all elderly assisted living care facilities located in the state, and report to the chairs of the house and senate tax committees by February 1, 1998, on its findings. The department shall include in the survey a request for an estimate of the amount of charitable contributions, including, but not limited to, the value of any public benefit such as the prevention or delay of nursing home placement and the effect of taxation on the development of housing for low- and moderate-income elderly persons for each elderly assisted living care facility and the relative portion of those charitable contributions to the total operating costs of the elderly assisted living care facility. As used in this section, "elderly assisted living facility property" means residential real estate containing more than one unit held for use by the tenants or lessees as a residence for periods of 30 days or more, along with community rooms, lounges, activity rooms, and related facilities, designed to meet the housing, health, and financial security needs of the elderly. The real estate may be owned by an individual, partnership, limited partnership, for-profit corporation, or nonprofit corporation exempt from federal income taxation under United States Code, title 26, section 501(c)(3), or related sections. An admission or initiation fee may be required of tenants. Monthly charges may include charges for the residential unit, meals, housekeeping, utilities, social programs, a health care alert system, or any combination of them. On-site health care may be provided by in-house staff or an outside health care provider."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Oliver moved to amend S.F. No. 493 as follows:

Page 5, delete lines 32 to 36

Page 6, delete lines 1 to 6 and insert:

"The first \$72,000 of market value of class 1a property has a net class rate of one percent of its market value for taxes payable in 1997; 1.1 percent for taxes payable in 1998; 1.2 percent for taxes payable in 1999; 1.3 percent for taxes payable in 2000; 1.4 percent for taxes payable in 2001; and 1.5 percent for taxes payable in 2002, and thereafter; and a gross class rate of 2.17 percent of its market value. For taxes payable in 1992, the market value of class 1a property that exceeds \$72,000 but does not exceed \$115,000 has a class rate of two percent of its market value; and the market value of class 1a property that exceeds \$115,000 has a class rate of 2.5 percent of its market value. For taxes payable in 1993 and thereafter, The market value of class 1a property that exceeds \$72,000 has a class rate of two percent for taxes payable in 1997; 1.9 percent for taxes payable in 1998; 1.8 percent for taxes payable in 1999; 1.7 percent for taxes payable in 2000; 1.6 percent for taxes payable in 2001; and 1.5 percent for taxes payable in 2002, and thereafter."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 46, as follows:

Those who voted in the affirmative were:

Belanger	Knutson	Limmer	Robertson	Wiger
Foley	Krentz	Oliver	Runbeck	
Kelly, R.C.	Laidig	Olson	Terwilliger	
Kiscaden	Larson	Pariseau	Wiener	

Those who voted in the negative were:

Anderson	Fischbach	Janezich	Kleis	Metzen
Berg	Flynn	Johnson, D.E.	Langseth	Moe, R.D.
Berglin	Frederickson	Johnson, D.J.	Lesewski	Morse
Betzold	Hanson	Johnson, J.B.	Lessard	Murphy
Cohen	Higgins	Junge	Lourey	Neuville
Dille	Hottinger	Kelley, S.P.	Marty	Novak

Ourada
Pappas
Piper
Pogemiller

Price
Ranum
Robling

Sams
Samuelson
Scheevel

Scheid
Solon
Spear

Stevens
Ten Eyck
Vickerman

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

Ms. Olson moved to amend S.F. No. 493 as follows:

Page 240, after line 31, insert:

"Sec. 25. Minnesota Statutes 1996, section 297A.25, is amended by adding a subdivision to read:

Subd. 71. [MATERIALS USED IN PROVIDING TAXABLE SERVICES.] (a) The gross receipts from the sale of and the storage, use, or consumption of all materials used or consumed in providing a taxable service intended to be sold ultimately at retail are exempt.

(b) This exemption includes, but is not limited to:

(1) chemicals, fuels, petroleum products, lubricants, packaging materials, seeds, trees, fertilizers, herbicides, electricity, gas, and steam used or consumed in providing the taxable service;

(2) chemicals, fuels, and electricity used to treat waste generated as a result of providing the taxable service; and

(3) accessory tools, equipment, and other items that are separate detachable units used in providing the service and that have an ordinary useful life of less than 12 months.

(c) This exemption does not include:

(1) machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture, and fixtures used in providing the taxable service; and

(2) fuel, electricity, gas, and steam used for space heating or lighting.

(d) For purposes of this subdivision, "taxable services" means the services listed in section 297A.01, subdivision 3, except solid waste management services as described in section 297A.45."

Page 248, line 34, delete "and 20" and insert "20, and 25"

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 23 and nays 37, as follows:

Those who voted in the affirmative were:

Belanger
Day
Dille
Fischbach
Frederickson

Johnson, D.E.
Kiscaden
Kleis
Knutson
Laidig

Larson
Lesewski
Limmer
Neuville
Oliver

Olson
Ourada
Pariseau
Robertson
Robling

Runbeck
Stevens
Terwilliger

Those who voted in the negative were:

Anderson
Berg
Berglin
Betzold
Cohen

Flynn
Foley
Hanson
Higgins
Hottinger

Johnson, D.J.
Johnson, J.B.
Junge
Kelley, S.P.
Kelly, R.C.

Langseth
Lessard
Lourey
Marty
Moe, R.D.

Morse
Murphy
Novak
Pappas
Piper

Pogemiller
Price
Ranum

Sams
Samuelson
Scheid

Solon
Spear

Ten Eyck
Vickerman

Wiener
Wiger

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

Ms. Ranum moved to amend S.F. No. 493 as follows:

Page 75, line 36, delete "containing" and insert "consisting of parcels that contain"

Page 76, line 1, delete "which"

Page 78, line 30, delete ", except the" and insert a period

Page 78, delete lines 31 and 32

Page 79, after line 35, insert:

"(d) Minnesota Statutes, section 469.176, subdivision 3, applies to the district."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 5 and nays 56, as follows:

Those who voted in the affirmative were:

Belanger	Hottinger	Knutson	Ranum	Robling
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Those who voted in the negative were:

Anderson	Higgins	Lesewski	Ourada	Solon
Berg	Janezich	Lessard	Pappas	Spear
Berglin	Johnson, D.E.	Limmer	Pariseau	Stevens
Betzold	Johnson, D.J.	Lourey	Piper	Ten Eyck
Cohen	Johnson, J.B.	Marty	Pogemiller	Terwilliger
Day	Junge	Metzen	Price	Vickerman
Dille	Kelley, S.P.	Morse	Robertson	Wiener
Fischbach	Kiscaden	Murphy	Runbeck	Wiger
Flynn	Kleis	Neuville	Sams	
Foley	Laidig	Novak	Samuelson	
Frederickson	Langseth	Oliver	Scheevel	
Hanson	Larson	Olson	Scheid	

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

Mr. Oliver moved to amend S.F. No. 493 as follows:

Page 43, after line 8, insert:

"Sec. 4. Minnesota Statutes 1996, section 290A.04, is amended by adding a subdivision to read:

Subd. 2j. [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 one-quarter of the maximum income for which a claimant may receive a refund under subdivision 2. The commissioner of revenue may require claimants to certify eligibility for the 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."

Page 45, after line 6, insert:

"Sec. 7. Minnesota Statutes 1996, 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 2j."

Page 45, line 18, delete "5 and 6" and insert "7 and 8"

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 29 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.E.	Lesewski	Olson	Runbeck
Berglin	Kiscaden	Limmer	Ourada	Scheevel
Day	Kleis	Marty	Pariseau	Stevens
Dille	Knutson	Morse	Piper	Terwilliger
Fischbach	Laidig	Neuville	Robertson	Wiger
Frederickson	Larson	Oliver	Robling	

Those who voted in the negative were:

Belanger	Higgins	Langseth	Pogemiller	Spear
Berg	Hottinger	Lessard	Price	Ten Eyck
Betzold	Janezich	Lourey	Ranum	Vickerman
Cohen	Johnson, D.J.	Moe, R.D.	Sams	Wiener
Flynn	Junge	Murphy	Samuelson	
Foley	Kelley, S.P.	Novak	Scheid	
Hanson	Kelly, R.C.	Pappas	Solon	

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

Mr. Frederickson moved to amend S.F. No. 493 as follows:

Page 240, line 23, delete everything after "exempt"

Page 240, line 24, delete everything before the period

The motion prevailed. So the amendment was adopted.

RECONSIDERATION

Having voted on the prevailing side, Mr. Samuelson moved that the vote whereby the Larson amendment to S.F. No. 493 was adopted on April 22, 1997, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 40 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Krentz	Morse	Samuelson
Berg	Hottinger	Langseth	Murphy	Scheid
Berglin	Janezich	Lesewski	Novak	Solon
Betzold	Johnson, D.J.	Lessard	Pappas	Spear
Cohen	Johnson, J.B.	Lourey	Pogemiller	Ten Eyck
Flynn	Junge	Marty	Price	Vickerman
Foley	Kelley, S.P.	Metzen	Ranum	Wiener
Hanson	Kelly, R.C.	Moe, R.D.	Sams	Wiger

Those who voted in the negative were:

Belanger	Johnson, D.E.	Limmer	Pariseau	Scheevel
Day	Kleis	Neuville	Piper	Stevens
Dille	Knutson	Oliver	Robertson	Terwilliger
Fischbach	Laidig	Olson	Robling	
Frederickson	Larson	Ourada	Runbeck	

The motion prevailed. So the vote was reconsidered.

Mr. Larson withdrew his amendment.

Mr. Neuville moved to amend S.F. No. 493 as follows:

Page 208, after line 23, insert:

"Sec. 3. Minnesota Statutes 1996, section 290.01, is amended by adding a subdivision to read:

Subd. 32. [MARRIED.] A taxpayer is a married taxpayer for purposes of this chapter only if the person is a party to a civil marriage contract, which must be between persons of the opposite sex. A person is not a married taxpayer for purposes of this chapter if the person is a party to a marriage entered into by persons of the same sex, either under common law or statute, that is recognized by another state or a foreign jurisdiction.

Sec. 4. Minnesota Statutes 1996, 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 who are married as defined in section 290.01, subdivision 32, and who file 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 \$19,910, 6 percent;
- (2) On all over \$19,910, but not over \$79,120, 8 percent;
- (3) On all over \$79,120, 8.5 percent.

Married Individuals filing who are married as defined in section 290.01, subdivision 32, and who file 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 \$13,620, 6 percent;
- (2) On all over \$13,620, but not over \$44,750, 8 percent;
- (3) On all over \$44,750, 8.5 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 \$16,770, 6 percent;
- (2) On all over \$16,770, but not over \$67,390, 8 percent;
- (3) On all over \$67,390, 8.5 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 increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1), 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, as amended through April 15, 1995, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1)."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Ranum questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 22, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.J.	Lessard	Ourada	Stevens
Berg	Kelly, R.C.	Limmer	Pariseau	Ten Eyck
Day	Kiscaden	Metzen	Price	Terwilliger
Dille	Kleis	Morse	Robling	Vickerman
Fischbach	Knutson	Murphy	Runbeck	Wiger
Frederickson	Laidig	Neuville	Sams	
Hanson	Langseth	Novak	Samuelson	
Janezich	Larson	Oliver	Scheevel	
Johnson, D.E.	Lesewski	Olson	Solon	

Those who voted in the negative were:

Anderson	Foley	Kelley, S.P.	Piper	Spear
Berglin	Higgins	Lourey	Pogemiller	Wiener
Betzold	Hottinger	Marty	Ranum	
Cohen	Johnson, J.B.	Moe, R.D.	Robertson	
Flynn	Junge	Pappas	Scheid	

The motion prevailed. So the amendment was adopted.

Mr. Terwilliger moved to amend S.F. No. 493 as follows:

Page 208, after line 23, insert:

"Sec. 3. Minnesota Statutes 1996, 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 ~~\$19,910~~ \$24,140, ~~6 4~~ percent;
- (2) On all over ~~\$19,910~~ \$24,140, but not over ~~\$79,120~~ \$95,920, 8 percent;
- (3) On all over ~~\$79,120~~ \$95,920, 8.5 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 ~~\$13,620~~ \$16,510, ~~6 4~~ percent;
- (2) On all over ~~\$13,620~~ \$16,510, but not over ~~\$44,750~~ \$54,250, 8 percent;
- (3) On all over ~~\$44,750~~ \$54,250, 8.5 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 ~~\$16,770~~ \$20,330, ~~6 4~~ percent;
- (2) On all over ~~\$16,770~~ \$20,330, but not over ~~\$67,390~~ \$81,700, 8 percent;
- (3) On all over ~~\$67,390~~ \$81,700, 8.5 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 increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1), 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, as amended through April 15, 1995, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

Sec. 4. Minnesota Statutes 1996, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] (a) For taxable years beginning after December 31, ~~1994~~ 1997, 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, ~~1990~~ 1996, and before January 1, ~~1992~~ 1998. 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 "~~1990~~" "1996" shall be substituted for the word "~~1987~~." "1992." For ~~1994~~ 1997, the commissioner shall then determine the percent change from the 12 months ending on August 31, ~~1990~~ 1996, to the 12 months ending on August 31, ~~1994~~ 1997, and in each subsequent year, from the 12 months ending on August 31, ~~1990~~ 1996, 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."

Page 217, line 6, after "2," insert "3, 4,"

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	Johnson, D.E.	Lesewski	Ourada	Scheevel
Berg	Kiscaden	Limmer	Pariseau	Stevens
Day	Kleis	Neuville	Robertson	Terwilliger
Fischbach	Knutson	Oliver	Robling	Wiener
Frederickson	Laidig	Olson	Runbeck	

Those who voted in the negative were:

Anderson	Higgins	Krentz	Murphy	Samuelson
Berglin	Hottinger	Langseth	Novak	Solon
Betzold	Janezich	Lessard	Pappas	Spear
Cohen	Johnson, D.J.	Lourey	Piper	Ten Eyck
Dille	Johnson, J.B.	Marty	Pogemiller	Vickerman
Flynn	Junge	Metzen	Price	Wiger
Foley	Kelley, S.P.	Moe, R.D.	Ranum	
Hanson	Kelly, R.C.	Morse	Sams	

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

Mr. Limmer moved to amend S.F. No. 493 as follows:

Page 234, line 25, strike "and" and after "districts" insert ", and political subdivisions of the state"

Page 235, line 2, strike "(j)" and insert "(i)"

Page 235, lines 3 to 6, strike the old language and delete the new language

Page 235, strike lines 16 to 30

Page 236, strike lines 13 to 19

Page 240, after line 31, insert:

"Sec. 25. Minnesota Statutes 1996, 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.~~"

Page 249, line 7, after "1995" insert ", to the extent they apply to sales to hospitals. The remainder of section 13 applies to sales after June 30, 1997"

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 27 and nays 35, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Janezich	Langseth	Pappas	Scheid
Berglin	Johnson, D.J.	Lourey	Piper	Solon
Cohen	Johnson, J.B.	Marty	Pogemiller	Spear
Flynn	Junge	Moe, R.D.	Price	Ten Eyck
Foley	Kelley, S.P.	Morse	Ranum	Vickerman
Higgins	Kelly, R.C.	Murphy	Sams	Wiener
Hottinger	Krentz	Novak	Samuelson	Wiger

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

Ms. Runbeck moved to amend S.F. No. 493 as follows:

Page 215, after line 26, insert:

"Sec. 7. [290.072] [CREDIT FOR CHILDREN.]

A taxpayer is allowed a credit against the tax imposed by this chapter equal to \$250 for each child or stepchild who qualifies as a dependent of the taxpayer under section 152 of the Internal Revenue Code. The credit shall be reduced by \$25 for each \$1,000 of income, or fraction thereof, over the threshold amount, but in no case shall the credit be less than zero. The threshold amounts are \$75,000 for taxpayers filing as married joint, \$37,500 for taxpayers filing as married separate, and \$60,000 for taxpayers filing as head of household. Taxpayers filing as single may not claim the credit. For purposes of this section, "income" means income as defined in section 290.067, subdivision 2a.

For nonresident or part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e)."

Page 217, line 8, delete "and 4" and insert ", 4, and 7"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Runbeck then moved to amend the Runbeck amendment to S.F. No. 493 as follows:

Page 1, line 13, delete everything before "For"

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

Ms. Runbeck withdrew her amendment.

Mrs. Robling moved to amend S.F. No. 493 as follows:

Page 293, after line 35, insert:

"Sec. 7. Minnesota Statutes 1996, section 373.01, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC CORPORATION; LISTED POWERS.] Each county is a body politic and corporate and may:

- (1) Sue and be sued.
- (2) Acquire and hold real and personal property for the use of the county, and lands sold for taxes as provided by law.
- (3) Purchase and hold for the benefit of the county real estate sold by virtue of judicial proceedings, to which the county is a party.
- (4) Sell, lease, and convey real or personal estate owned by the county, and give contracts or options to sell, lease, or convey it, and make orders respecting it as deemed conducive to the interests of the county's inhabitants.

No sale, lease, or conveyance of real estate owned by the county, except the lease of a residence acquired for the furtherance of an approved capital improvement project, nor any contract or option for it, shall be valid, without first advertising for bids or proposals in the official newspaper of the county for three consecutive weeks and once in a newspaper of general circulation in the area where the property is located. The notice shall state the time and place of considering the proposals, contain a legal description of any real estate, and a brief description of any personal property. Leases that do not exceed \$15,000 for any one year may be negotiated and are not subject to the competitive bid procedures of this section. All proposals estimated to exceed \$15,000 in any one year shall be considered at the time set for the bid opening, and the one most favorable to the county accepted, but the county board may, in the interest of the county, reject any or all proposals. Sales of personal property the value of which is estimated to be \$15,000 or more shall be made only after advertising for bids or proposals as provided for real estate. Sales of personal property the value of which is estimated to be less than \$15,000 may be made either on competitive bids or in the open market, in the discretion of the county board. Notwithstanding anything to the contrary herein, the county may, when acquiring real property for county highway right-of-way, exchange parcels of real property of substantially similar or equal value without advertising for bids. The estimated values for these parcels shall be determined by the county assessor.

If real estate or personal property remains unsold after advertising for and consideration of bids or proposals the county may employ a broker to sell the property. The broker may sell the property for not less than 90 percent of its appraised market value as determined by the county. The broker's fee shall be set by agreement with the county but may not exceed ten percent of the sale price and must be paid from the proceeds of the sale.

A county or its agent may rent a county-owned residence acquired for the furtherance of an approved capital improvement project subject to the conditions set by the county board and not subject to the conditions for lease otherwise provided by this clause.

In no case shall lands be disposed of without there being reserved to the county all iron ore and other valuable minerals in and upon the lands, with right to explore for, mine and remove the iron ore and other valuable minerals, nor shall the minerals and mineral rights be disposed of, either

before or after disposition of the surface rights, otherwise than by mining lease, in similar general form to that provided by section 93.20 for mining leases affecting state lands. The lease shall be for a term not exceeding 50 years, and be issued on a royalty basis, the royalty to be not less than 25 cents per ton of 2,240 pounds, and fix a minimum amount of royalty payable during each year, whether mineral is removed or not. Prospecting options for mining leases may be granted for periods not exceeding one year. The options shall require, among other things, periodical showings to the county board of the results of exploration work done. Minerals subject to reservation and lease by a county under this section do not include minerals defined as aggregate material in section 298.75, subdivision 1, clause (1).

(5) Make all contracts and do all other acts in relation to the property and concerns of the county necessary to the exercise of its corporate powers."

Page 294, line 24, delete "Section 1 is" and insert "Sections 1 and 7 are"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Belanger moved to amend S.F. No. 493 as follows:

Pages 2 to 45, delete articles 1 to 3 and insert:

"ARTICLE 1

PROPERTY TAX REFORM

Section 1. Minnesota Statutes 1996, section 124.2131, subdivision 1, is amended to read:

Subdivision 1. [ADJUSTED NET TAX CAPACITY.] (a) [COMPUTATION.] The department of revenue shall annually conduct an assessment/sales ratio study of the taxable property in each school district in accordance with the procedures in paragraphs (b) and (c). Based upon the results of this assessment/sales ratio study, the department of revenue shall determine an aggregate equalized net tax capacity for the various classes of taxable property in each school district, which tax capacity shall be designated as the adjusted net tax capacity. The department shall also, based upon the results of the assessment/sales ratio study, determine the equalized referendum market value for each school district which shall be designated as the adjusted referendum market value. The adjusted net tax capacities shall be determined using the net tax capacity percentages in effect for the assessment year following the assessment year of the study. The department of revenue shall make whatever estimates are necessary to account for changes in the classification system. The department of revenue may incur the expense necessary to make the determinations. The commissioner of revenue may reimburse any county or governmental official for requested services performed in ascertaining the adjusted net tax capacity. On or before March 15 annually, the department of revenue shall file with the chair of the tax committee of the house of representatives and the chair of the committee on taxes and tax laws of the senate a report of adjusted net tax capacities. On or before June 15 annually, the department of revenue shall file its final report on the adjusted net tax capacities established by the previous year's assessments and the current year's net tax capacity percentages with the commissioner of children, families, and learning and each county auditor for those school districts for which the auditor has the responsibility for determination of local tax rates. A copy of the report so filed shall be mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which each district is located.

(b) [METHODOLOGY.] In making its annual assessment/sales ratio studies, the department of revenue shall use a methodology consistent with the most recent Standard on Assessment Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers. The commissioner of revenue shall supplement this general methodology with specific procedures necessary for execution of the study in accordance with other Minnesota laws impacting the assessment/sales ratio study. The commissioner shall document these specific

procedures in writing and shall publish the procedures in the State Register, but these procedures will not be considered "rules" pursuant to the Minnesota administrative procedure act. For purposes of this section, sections 270.12, subdivision 2, clause (8), and 278.05, subdivision 4, the commissioner of revenue shall exclude from the assessment/sales ratio study the sale of any nonagricultural property which does not contain an improvement, if (1) the statutory basis on which the property's taxable value as most recently assessed is less than market value as defined in section 273.11, or (2) the property has undergone significant physical change or a change of use since the most recent assessment.

(c) [AGRICULTURAL LANDS.] For purposes of determining the adjusted net tax capacity of agricultural lands for the calculation of adjusted net tax capacities, the market value of agricultural lands shall be the price for which the property would sell in an arms length transaction.

(d) [FORCED SALES.] The commissioner may include forced sales in the assessment/sales ratio studies if it is determined by the commissioner that these forced sales indicate true market value.

(e) [STIPULATED VALUES AND ABATEMENTS.] The estimated market value to be used in calculating sales ratios shall be the value established by the assessor before any stipulations resulting from appeals by property owners and before any abatement unless the abatement was granted for the purpose of correcting mere clerical errors.

(f) [SALES OF INDUSTRIAL PROPERTY.] Separate sales ratios shall be calculated for commercial property and for industrial property. These two classes shall be combined only in jurisdictions in which there is not an adequate sample of sales in each class.

Sec. 2. [124.917] [SCHOOL DISTRICT LEVIES.]

Subdivision 1. [CATEGORICAL PROGRAM LEVY.] "Categorical program levy" means a district's total levy less the sum of the district's basic general education program levy under section 124A.23, subdivision 2, debt service levy under section 124.97, and operating referendum levy under section 124A.03.

Subd. 2. [CATEGORICAL NET TAX CAPACITY LEVY.] For taxes payable in 1998 and later, each school district's categorical net tax capacity levy is equal to the lesser of its categorical program levy for taxes payable in 1997, or its categorical program levy for that year.

Subd. 3. [CATEGORICAL MARKET VALUE LEVY.] For taxes payable in 1998 and later, a district's categorical market value levy is equal to the difference between its categorical program levy under subdivision 1 and its categorical tax capacity levy under subdivision 2.

Sec. 3. [124.975] [DEBT LEVY; MARKET VALUE.]

Except as otherwise provided in sections 124A.03 and 124A.0311, a school district levy imposed to pay obligations approved by the electors under section 475.58 after November 1, 1997, for taxes payable in 1998 or thereafter, must be levied against the referendum market value of all taxable property as defined in section 124A.02, subdivision 3b. A levy subject to the requirements of this section must be separately certified to the county auditor under section 275.07.

Sec. 4. Minnesota Statutes 1996, section 124A.03, subdivision 1g, is amended to read:

Subd. 1g. [REFERENDUM EQUALIZATION LEVY.] (a) ~~For fiscal year 1996, a district's referendum equalization levy equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8.~~

(b) For fiscal year 1997 and thereafter, a district's referendum equalization levy for a referendum levied against the referendum market value of all taxable property as defined in section 124A.02, subdivision 3b, equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted referendum market value per actual pupil unit to \$476,000.

(e) (b) For fiscal year 1997 and thereafter, a district's referendum equalization levy for a referendum levied against the net tax capacity of all taxable property equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to 100 percent of the equalizing factor for that year.

Sec. 5. Minnesota Statutes 1996, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] (a) The commissioner shall establish the general education tax rate rates by July 1 of each year for levies payable in the following year.

(b) The total dollar amount raised by the general education levy is \$1,159,000,000 for fiscal year 1999 and later. The general education net tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises \$1,054,000,000 for fiscal year 1996 and \$1,359,000,000 \$1,159,000,000 for fiscal year 1997 1999 and later fiscal years. Any general education levy amount in excess of \$1,159,000,000 shall be separately specified and levied against referendum market value.

(c) For fiscal year 1999 and later, the general education referendum market value rate shall be a rate that, when applied to the adjusted referendum market value for all districts, raises a dollar amount equal to the difference between the total general education levy and \$1,159,000,000.

(d) The general education tax rate rates may not be changed due to changes or corrections made to a district's adjusted net tax capacity or adjusted referendum market value after the tax rate has rates have been established.

Sec. 6. Minnesota Statutes 1996, section 124A.23, subdivision 2, is amended to read:

Subd. 2. [GENERAL EDUCATION LEVY.] To obtain general education revenue, excluding supplemental revenue, a district may levy an amount not to exceed the sum of the general education tax rate times the adjusted net tax capacity of the district for the preceding year and the general education referendum market value tax rate times the adjusted referendum market value of the district for the preceding year. If the amount of the general education levy would exceed the general education revenue, excluding supplemental revenue, the general education levy shall be determined according to subdivision 3.

Sec. 7. Minnesota Statutes 1996, section 162.081, subdivision 4, is amended to read:

Subd. 4. [FORMULA FOR DISTRIBUTION TO TOWNS; PURPOSES.] Money apportioned to a county from the town road account must be distributed to the treasurer of each town within the county, according to a distribution formula adopted by the county board. The formula must take into account each town's levy for road and bridge purposes, its population and town road mileage, and other factors the county board deems advisable in the interests of achieving equity among the towns. Distribution of town road funds to each town treasurer must be made by March 1, annually, or within 30 days after receipt of payment from the commissioner. Distribution of funds to town treasurers in a county which has not adopted a distribution formula under this subdivision must be made according to a formula prescribed by the commissioner by rule. A formula adopted by a county board or by the commissioner must provide that a town, in order to be eligible for distribution of funds from the town road account in a calendar year, must have levied ~~before the deduction of homestead and agricultural credit aid certified under section 273.1398, subdivision 2,~~ for taxes payable in the previous year for road and bridge purposes at least 0.04835 percent of taxable market value. For purposes of this eligibility requirement, taxable market value means taxable market value for taxes payable two years prior to the aid distribution year.

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

Sec. 8. [179A.155] [TEACHER NEGOTIATIONS.]

Subdivision 1. [SALARIES AND FRINGE BENEFITS.] The commissioner of employee relations is the employer of all teachers in all school districts of the state for purposes of

negotiating salaries and fringe benefits. Negotiations in this regard must be conducted according to subdivisions 3 and 4 and other relevant sections of this chapter.

Subd. 2. [OTHER TERMS AND CONDITIONS OF EMPLOYMENT.] All nonsalary and nonfringe benefit provisions that are subjects of bargaining must be negotiated between the school board and the exclusive representative of the appropriate unit of teachers that has been certified according to section 179A.12 or 179A.17.

Subd. 3. [REGIONAL BARGAINING COUNCILS.] Teachers in all school districts in the state must be represented for purposes of negotiating salaries and fringe benefits by a teacher regional bargaining council. There shall be a teacher regional bargaining council established for each of the 11 regions represented by the educational service cooperatives. Each teacher regional bargaining council shall be comprised of seven members. The seven members of each council must be apportioned among the statewide organizations in proportion to the aggregate number of teachers within the appropriate units for which that organization or its direct affiliate is the exclusive representative. However, any organization representing at least 12 percent of the total number of teachers within the appropriate teacher units in the applicable region may select at least one member of the council. The commissioner shall adopt rules establishing procedures for the biennial selection of the councils. The councils have no authority to negotiate, change, or abrogate a teacher collective bargaining agreement except in the area of salaries and fringe benefits.

Subd. 4. [PROCEDURES.] The commissioner of employee relations and the council shall begin negotiations before May 2 of an odd-numbered year.

Sec. 9. Minnesota Statutes 1996, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, or 276A.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, or 276A.06, subdivision 7, for the municipality, as defined in section 473F.02, subdivision 8, or 276A.06, subdivision 7, in which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(d) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(e) "Equalized school levies" means the amounts levied for:

- (1) general education under section 124A.23, subdivision 2;
- (2) supplemental revenue under section 124A.22, subdivision 8a;
- (3) transition revenue under section 124A.22, subdivision 13c;

- (4) basic transportation under section 124.226, subdivision 1; and
- (5) referendum revenue under section 124A.03.

(f) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the total previous net tax capacity of the unique taxing jurisdiction.

(g) For purposes of calculating and allocating homestead and agricultural credit aid for counties and for school districts authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total net tax capacity based taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

"Taxes levied" excludes equalized school levies.

(h) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(i) "Growth adjustment factor" means the household adjustment factor in the case of counties. In the case of cities, towns, school districts, and special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(j) "Homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 less any permanent aid reduction in the previous year to homestead and agricultural credit aid.

(k) "Net tax capacity adjustment" means (1) the tax base differential defined in subdivision 1a, multiplied by (2) the unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

~~(l) "Fiscal disparity adjustment" means a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), or 276A.06, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, multiplied by the ratio of the tax base differential percent referenced in subdivision 1a for the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies.~~

Sec. 10. Minnesota Statutes 1996, section 273.1398, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD AND AGRICULTURAL CREDIT AID.] Homestead and agricultural credit aid for each unique taxing jurisdiction equals the product of (1) the homestead and agricultural credit aid base, and (2) the growth adjustment factor, ~~plus the net tax capacity adjustment and the fiscal disparity adjustment.~~ Only counties and school districts shall receive homestead and agricultural credit aid in 1998 and thereafter.

Sec. 11. Minnesota Statutes 1996, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2, ~~2b,~~ and 3, ~~and 5~~ before September 1 of the year preceding the distribution year to the county auditor of the affected local government. The aids provided in subdivisions 2, ~~2b,~~ subdivision 3, ~~and 5~~ must be paid to local governments other than school districts and the aids provided in subdivision 2 to counties must be paid at the times provided in section 477A.015 for payment of local

government aid to taxing jurisdictions, except that the first one-half payment of disparity reduction aid provided in subdivision 3 must be paid on or before August 31. The disparity reduction credit provided in subdivision 4 must be paid to taxing jurisdictions other than school districts at the time provided in section 473H.10, subdivision 3. Aids and credit reimbursements to school districts must be certified to the commissioner of children, families, and learning and paid under section 273.1392. Except for education districts and secondary cooperatives that receive revenue according to section 124.575, payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax.

Sec. 12. Minnesota Statutes 1996, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year and, for a town, the amount of its final levy. It must clearly state that each taxing authority, including regional library districts established under section 134.201, and including the metropolitan taxing districts as defined in paragraph (i), but excluding all other special taxing districts and towns, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail.

(d) The notice must state for each parcel:

(1) the market value of the property as determined under section 273.11, and used for computing property taxes payable in the following year and for taxes payable in the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) by county, city or town, state-determined school district levy, school district excess referenda levy, remaining school district levy, regional library district, if in existence, the total of the metropolitan special taxing districts as defined in paragraph (i) and the sum of the remaining special taxing districts, and as a total of the taxing authorities, including all special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. For purposes of this subdivision, "state-determined school district levy" means the levy certified under section 124A.23, subdivision 2 or 3. If a school district has certified under section 124A.03, subdivision 2, that a referendum will be held in the school district at the November general election, the county auditor must note next to the school district's proposed amount that a referendum is pending and that, if approved by the voters, the tax amount may be higher than shown on the notice. For the purposes of this subdivision, "school district excess referenda levy" means school district taxes for operating purposes approved at referendums, including those taxes based on net tax capacity as well as those based on market value. "School district excess referenda levy" does not include school district taxes for capital expenditures approved at referendums or school district taxes to pay for the debt service on bonds approved at referenda. In the case of the city of Minneapolis, the levy for the Minneapolis library board and the levy for Minneapolis park and recreation shall be listed separately from the remaining amount of the city's levy. In the case of a parcel where tax increment or the fiscal disparities areawide tax under chapter 276A or 473F applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year

to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

- (1) special assessments;
- (2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;
- (3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;
- (4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and
- (5) the contamination tax imposed on properties which received market value reductions for contamination.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead and the homeowner provides satisfactory documentation to the county assessor that the property is owned and used as the owner's homestead, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

- (1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or
- (2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

(i) For purposes of this subdivision, subdivisions 5a and 6, "metropolitan special taxing districts" means the following taxing districts in the seven-county metropolitan area that levy a property tax for any of the specified purposes listed below:

- (1) metropolitan council under section 473.132, 473.167, 473.249, 473.325, 473.446, 473.521, 473.547, or 473.834;
- (2) metropolitan airports commission under section 473.667, 473.671, or 473.672; and
- (3) metropolitan mosquito control commission under section 473.711.

For purposes of this section, any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be included with the appropriate county's levy and shall be discussed at that county's public hearing.

~~(j) For taxes levied in 1996, payable in 1997 only, in the case of a statutory or home rule charter city or town that exercises the local levy option provided in section 473.388, subdivision 7, the notice of its proposed taxes may include a statement of the amount by which its proposed tax increase for taxes payable in 1997 is attributable to its exercise of that option, together with a statement that the levy of the metropolitan council was decreased by a similar amount because of the exercise of that option.~~

Sec. 13. Minnesota Statutes 1996, section 275.07, subdivision 1a, is amended to read:

Subd. 1a. [APPLICATION OF LIMITATIONS.] Any limitation upon the amount that may be levied by a local taxing jurisdiction shall apply to the sum of the levy as certified under subdivision 1 plus the certified homestead and agricultural credit aid amount under section 273.1398, subdivision 2, and the county program reform aid amount under section 477A.0123, unless the commissioner of revenue certifies to the county auditor that the limitation applies to the levy under subdivision 1 only.

Sec. 14. [275.071] [MARKET VALUE TAX.]

That portion of any county's, city's, town's, or special taxing district's levy which exceeds the jurisdiction's levy for taxes payable in 1997 shall be levied against the referendum market value of the jurisdiction, as defined in section 124A.02, subdivision 3b. When the jurisdiction reports its levy to the county auditor under section 275.07, it must separately identify the portion to be levied against net tax capacity and the portion to be levied against market value.

Sec. 15. Minnesota Statutes 1996, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality, the total of the metropolitan special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), state-determined school district levy, school district excess referenda levy, remaining school district levy, and the total of other voter approved referenda levies based on market value under section 275.61 must be separately stated. The amounts due all other special taxing districts, if any, may be aggregated. For purposes of this subdivision, "state-determined school district levy" means the levy certified under section 124A.23, subdivision 2 or 3. For the purposes of this subdivision, "school district excess referenda levy" means school district taxes for operating purposes approved at referenda, including those taxes based on net tax capacity as well as those based on market value. "School district excess referenda levy" does not include school district taxes for capital expenditures approved at referendums or school district taxes to pay for the debt service on bonds approved at referenda. The amount of the tax on contamination value imposed under sections 270.91 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The amount of market value excluded under section 273.11, subdivision 16, if any, must also be listed on the tax statement. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value under section 273.11, subdivision 1;

(2) the property's taxable market value after reductions under section 273.11, subdivisions 1a and 16;

(3) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total local tax rate and adding to the result the sum of the aids enumerated in clause (4);

(4) a total of the following aids:

- (i) education aids payable under chapters 124 and 124A;
- (ii) local government aids for cities, towns, and counties under chapter 477A; and
- (iii) disparity reduction aid under section 273.1398;

(5) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit;" ~~For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;~~

(6) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief"; and

(7) the net tax payable in the manner required in paragraph (a).

(d) If the county uses envelopes for mailing property tax statements and if the county agrees, a taxing district may include a notice with the property tax statement notifying taxpayers when the taxing district will begin its budget deliberations for the current year, and encouraging taxpayers to attend the hearings. If the county allows notices to be included in the envelope containing the property tax statement, and if more than one taxing district relative to a given property decides to include a notice with the tax statement, the county treasurer or auditor must coordinate the process and may combine the information on a single announcement.

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. ~~In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter,~~ The commissioner must certify this amount by September 1.

Sec. 16. Minnesota Statutes 1996, section 473.253, subdivision 1, is amended to read:

Subdivision 1. [SOURCES OF FUNDS.] The council shall credit to the livable communities demonstration account the revenues provided in this subdivision. This tax shall be levied and collected in the manner provided by section 473.13. The levy shall not exceed the following amount for the years specified:

(a)(1) for taxes payable in 1996, 50 percent of (i) the metropolitan mosquito control commission's property tax levy for taxes payable in 1995 multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located in the metropolitan area for the previous taxes payable year; and

(2) for taxes payable in 1997 and subsequent years, the product of (i) the property tax levy limit under this subdivision for the previous year multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located in the metropolitan area for the previous taxes payable year.

For the purposes of this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities under chapter 473F, tax increment financing under sections 469.174 to 469.179, and high voltage transmission lines under section 273.425.

~~(b) The metropolitan council, for the purposes of the fund, is considered a unique taxing jurisdiction for purposes of receiving aid pursuant to section 273.1398. For aid to be received in~~

~~1996, the fund's homestead and agricultural credit base shall equal 50 percent of the metropolitan mosquito control commission's certified homestead and agricultural credit aid for 1995, determined under section 273.1398, subdivision 2, less any permanent aid reduction under section 477A.0132. For aid to be received under section 273.1398 in 1997 and subsequent years, the fund's homestead and agricultural credit base shall be determined in accordance with section 273.1398, subdivision 1.~~

Sec. 17. Minnesota Statutes 1996, section 473.711, subdivision 2, is amended to read:

Subd. 2. [BUDGET; TAX LEVY.] (a) Budget. The metropolitan mosquito control commission shall prepare an annual budget. The budget may provide for expenditures in an amount not exceeding the property tax levy limitation determined in this subdivision.

(b) Tax Levy. The commission may levy a tax on all taxable property in the district as defined in section 473.702 to provide funds for the purposes of sections 473.701 to 473.716. The tax shall not exceed the property tax levy limitation determined in this subdivision. A participating county may agree to levy an additional tax to be used by the commission for the purposes of sections 473.701 to 473.716 but the sum of the county's and commission's taxes may not exceed the county's proportionate share of the property tax levy limitation determined under this subdivision based on the ratio of its total net tax capacity to the total net tax capacity of the entire district as adjusted by section 270.12, subdivision 3. The auditor of each county in the district shall add the amount of the levy made by the district to other taxes of the county for collection by the county treasurer with other taxes. When collected, the county treasurer shall make settlement of the tax with the district in the same manner as other taxes are distributed to political subdivisions. No county shall levy any tax for mosquito, disease vectoring tick, and black gnat (*Simuliidae*) control except under this section. The levy shall be in addition to other taxes authorized by law.

The property tax levied by the metropolitan mosquito control commission shall not exceed the following amount for the years specified:

(i) for taxes payable in 1996, the product of (1) the commission's property tax levy limitation for taxes payable in 1995 determined under this subdivision minus 50 percent of the amount actually levied for taxes payable in 1995, multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the district for the current taxes payable year divided by the total market valuation of all taxable property located within the district for the previous taxes payable year; and

(ii) for taxes payable in 1997 and subsequent years, the product of (1) the commission's property tax levy limitation for the previous year determined under this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the district for the current taxes payable year divided by the total market valuation of all taxable property located within the district for the previous taxes payable year.

For the purpose of determining the commission's property tax levy limitation under this subdivision, "total market valuation" means the total market valuation of all taxable property within the district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

~~(c) Homestead and Agricultural Credit Aid. For aids payable in 1996 and subsequent years, the commission's homestead and agricultural credit aid base under section 273.1398, subdivision 1, is permanently reduced by 50 percent of the amount certified to be received in 1995, less any permanent aid reduction in 1995 under section 477A.0132.~~

(d) Emergency Tax Levy. If the commissioner of the department of health declares a health emergency due to a threatened or actual outbreak of disease caused by mosquitos, disease vectoring ticks, or black gnats (*Simuliidae*), the commission may levy an additional tax not to exceed \$500,000 on all taxable property in the district to pay for the required control measures.

~~(e)~~ (d) Optional County Levy. A participating county may levy a tax in an amount to be

determined by the county board for mosquito, disease vectoring tick, and black gnat (Simuliidae) nuisance control. If the county levies the tax for nuisance control, it must contract with the commission to provide for nuisance control activities within the county. The levy for nuisance control shall be in addition to other levies authorized by law to the county.

Sec. 18. Minnesota Statutes 1996, section 477A.011, subdivision 27, is amended to read:

Subd. 27. [REVENUE BASE.] "Revenue base" means the amount levied for taxes payable in the previous year, including the levy on the fiscal disparity distribution under section 276A.06, subdivision 3, paragraph (a), or 473F.08, subdivision 3, paragraph (a), and before reduction for the homestead and agricultural credit and county program reform aid under ~~section~~ sections 273.1398, subdivision 2, and 477A.0123, equalization aid under section 477A.013, subdivision 5, and disparity reduction aid under section 273.1398, subdivision 3; plus the originally certified local government aid in the previous year under sections 477A.011, 477A.012, and 477A.013, except for 477A.013, subdivision 5; and the taconite aids received in the previous year under sections 298.28 and 298.282.

Sec. 19. Minnesota Statutes 1996, section 477A.011, is amended by adding a subdivision to read:

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

Sec. 20. Minnesota Statutes 1996, section 477A.011, is amended by adding a subdivision to read:

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

Sec. 21. Minnesota Statutes 1996, section 477A.011, subdivision 34, is amended to read:

Subd. 34. [CITY REVENUE NEED.] (a) For a city with a population equal to or greater than 2,500, "city revenue need" is the sum of (1) ~~3.462312~~ 6.110762 times the pre-1940 housing percentage; plus (2) ~~2.093826~~ 5.744915 times the commercial industrial percentage; plus (3) ~~6.862552~~ .024686 times the ~~population city decline percentage factor~~; plus (4) ~~.00026~~ 9.784552 times the ~~city population~~; plus (5) ~~152.0141~~ poverty percentage.

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

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

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

(e) For calendar year 1999 and subsequent years, the city revenue need for a city with a population of 2,500 or more, as determined in paragraphs (a) and (c), is multiplied by the ratio of the annual implicit price deflator for state and local government purchases, as prepared by the United States Department of Commerce, for the most recent available year to the 1997 implicit price deflator for state and local government purchases.

Sec. 22. [477A.0123] [COUNTY PROGRAM REFORM AID.]

Subdivision 1. [PURPOSE.] County program aid is intended to provide a financing source for

the provision of property tax relief in incorporated areas through the funding of program mandates as defined in Minnesota Statutes 1994, section 3.881.

Subd. 2. [AID ALLOCATION.] Each calendar year, the commissioner of revenue shall distribute aid paid under this section as follows: For aid paid in calendar year 1998, each county's aid distribution under this section shall equal 20.5 percent of its payable 1998 amount under section 273.1398. For aid paid in calendar year 1999 and thereafter, each county shall receive a distribution equal to 17 percent of the amount payable for the current year under section 273.1398. The aid paid to each county government under this section shall be used to reduce county levies within incorporated areas only.

Sec. 23. Minnesota Statutes 1996, section 477A.013, subdivision 8, is amended to read:

Subd. 8. [CITY FORMULA AID.] In calendar year 1994 1998 and subsequent years, the formula aid for a city is equal to the product of (1) the need increase percentage multiplied by the difference between (1), (2) the city's revenue need multiplied by its population, and (2) the city's net tax capacity multiplied by the tax effort rate (3) the square root of the difference between (i) 4.14 and (ii) the ratio of the city's net tax capacity to 215.06. No city may have a formula aid amount less than zero. The need increase percentage must be the same for all cities.

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

- (1) the city, in 1992 or 1993, transferred an amount from governmental funds to their sewer and water fund, and
- (2) the amount transferred exceeded their net levy for taxes payable in the year in which the transfer occurred.

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

Sec. 24. Minnesota Statutes 1996, section 477A.013, subdivision 9, is amended to read:

Subd. 9. [CITY AID DISTRIBUTION.] (a) In calendar year 1994 1998 and thereafter, each city shall receive an aid distribution equal to the sum of (1) the city formula aid under subdivision 8, and (2) its city aid base formula aid, subject to the limits in paragraphs (b), (c), and (d).

(b) The percentage increase for a first-class city in calendar year 1995 and thereafter 1998 shall not exceed 1-1/2 times the percentage increase in the sum of the aid to all cities under this section in the current calendar year 1998 compared to the sum of the aid to all cities in the previous year 1997. The percentage increase for a city in calendar year 1999 and thereafter shall not exceed 1-1/4 times the percentage increase in the sum of the aid to all cities under this section in the current calendar year compared to the sum of the aid to all cities in the previous year.

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

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

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

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

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

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

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

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

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

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

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

Sec. 25. Minnesota Statutes 1996, section 477A.03, subdivision 2, is amended to read:

Subd. 2. [ANNUAL APPROPRIATION.] A sum sufficient to discharge the duties imposed by sections 477A.011 to 477A.014 is annually appropriated from the general fund to the commissioner of revenue. For aids payable in ~~1996 1998~~ and thereafter, the total aids paid under sections ~~477A.013, subdivision 9, 477A.0121 and 477A.0122~~ are the amounts certified to be paid in the previous year, adjusted for inflation as provided under subdivision 3. Aid payments to ~~counties cities~~ under section ~~477A.0121 477A.013, subdivision 9,~~ are limited to \$20,265,000 ~~\$395,844,000 in 1996 1998. Aid payments to counties under section 477A.0121 are limited to \$27,571,625 in 1997.~~ For aid payable in ~~1998 1999~~ and thereafter, the total aids paid under section ~~477A.0121 477A.013, subdivision 9,~~ are the amounts certified to be paid in the previous year, adjusted for inflation as provided under subdivision 3.

Sec. 26. [PROPERTY TAX REBATE.]

Subdivision 1. [DATA SUBMISSION.] On or before August 1, 1998, each county auditor shall file with the commissioner of revenue the following information for each parcel of real property and manufactured home taxed as personal property located in the county that is subject to a general property tax for taxes payable in 1998:

(1) the property identification number for each parcel of real property or manufactured home taxed as personal property within the county;

(2) the net tax payable on the property after subtraction of the credits under Minnesota Statutes, section 273.1393; and

(3) the name of the taxpayer of record for the property and the taxpayer's listed mailing address.

The data must be submitted on the type of electronic data storage media designated by the commissioner and must be provided in the sequence, form, and format designated by the commissioner. The data submission designation requirements of the commissioner under this section are not rules subject to Minnesota Statutes, chapter 14.

Subd. 2. [CALCULATION AND PAYMENT OF REBATE.] On or before October 15, 1998, the commissioner of revenue shall determine and pay to the taxpayer of record for each parcel of real property and manufactured home taxed as personal property a rebate of ten percent of the net property tax payable for 1998 after subtraction of the credits under Minnesota Statutes, section

273.1393. If the amount calculated under this section is less than \$10 for a parcel or manufactured home, no rebate shall be paid for that parcel or manufactured home.

Payment shall be made by mail to the taxpayer's listed mailing address submitted by the county auditor under subdivision 1.

Subd. 3. [PROPERTY TAX REFUND.] Any amount paid under this section shall be disregarded for purposes of determining property tax refunds under Minnesota Statutes, chapter 290A.

Subd. 4. [APPROPRIATIONS.] (a) The amount necessary to pay the tax rebates under this section is appropriated from the general fund to the commissioner of revenue for fiscal year 1999.

(b) \$...... is appropriated from the general fund to the commissioner of revenue for fiscal year 1999 to pay the cost of administering this section.

(c) \$...... is appropriated from the general fund to the commissioner of revenue for fiscal year 1999 to pay counties for the costs of compliance with this section. The commissioner shall make the payments by August 31, 1998. The commissioner, after consultation with the Minnesota association of county officers shall apportion the available appropriation among the counties.

Sec. 27. [REPEALER.]

Minnesota Statutes 1996, section 477A.011, subdivisions 35, 36, and 37, are repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 6 and 12 to 15 are effective for taxes assessed in 1997, payable in 1998 and thereafter.

Sections 7 and 9 to 11, 16 to 25, and 27 are effective for aids payable in 1998 and thereafter.

Section 26 is effective for taxes payable in 1998 only."

Pages 85 to 112, delete article 5

Pages 120 to 126, delete article 7

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

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

S.F. No. 493 was read the third time.

Mr. Moe, R.D. moved that S.F. No. 493 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

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

Mr. Langseth from the Committee on Education Finance, to which was re-referred

S.F. No. 1925: A bill for an act relating to general education; special programs; lifework development; education organization and cooperation; education excellence; nutrition and other education programs; nonfunding education policy issues; libraries; technology; state agencies; making conforming technical changes; appropriating money; amending Minnesota Statutes 1996, sections 12.21, subdivision 3; 120.062, subdivisions 3, 6, 7, 9, and 11; 120.064, subdivisions 3, 8, 10, 20a, and by adding a subdivision; 120.101, subdivision 5; 120.1701, subdivision 3; 120.181; 121.11, subdivisions 7c and 9; 121.15, subdivisions 6, 7, and by adding subdivisions; 121.602, subdivisions 1, 2, and 4; 121.611; 121.615, subdivisions 2, 3, 5, 6, 7, 8, 9, and 10; 121.703, subdivision 3; 121.904, subdivision 4a; 121.932, by adding a subdivision; 123.35, subdivision 8, and by adding a subdivision; 123.3514, subdivisions 4, 4a, 4e, 6, 6c, 8, and by adding subdivisions; 123.39, subdivision 6; 123.70, subdivisions 5, 7, and 10; 123.799, subdivision 1; 123.7991, subdivisions 1 and 2; 123.951; 123.972, subdivision 5; 124.08; 124.17, subdivisions 1d, 4, and by adding a subdivision; 124.193; 124.195, subdivisions 2, 7, 10, 11, and by adding a subdivision; 124.225, subdivisions 1, 13, 14, 15, 16, and 17; 124.226, subdivision 10; 124.2445; 124.2455; 124.248, subdivision 4, and by adding a subdivision; 124.26, subdivision 1b; 124.2613, subdivisions 3, 4, and 6; 124.2711, subdivision 2a; 124.2727, subdivision 6d; 124.273, subdivisions 1d, 1e, 1f, and 1g; 124.276, subdivision 3, and by adding a subdivision; 124.312, subdivisions 4 and 5; 124.313; 124.314, subdivisions 1 and 2; 124.3201, subdivisions 1, 2, 3, and 4; 124.323, subdivisions 1 and 2; 124.42, subdivision 4; 124.431, subdivision 11; 124.45; 124.48, subdivision 3; 124.481; 124.574, subdivisions 1, 2d, 2f, 5, 6, and 9; 124.83, subdivisions 1 and 2; 124.86, subdivision 2, and by adding a subdivision; 124.91, subdivisions 1 and 5; 124.912, subdivisions 1, 2, and 3; 124.916, subdivisions 1, 2, and 3; 124.918, subdivision 6, and by adding a subdivision; 124.95, subdivision 2; 124A.02, subdivision 21; 124A.03, subdivisions 1c, 1f, 1g, and 3c; 124A.22, subdivisions 2, 3, 8a, 10, 11, 13, 13c, 13d, and by adding a subdivision; 124A.225, subdivision 1; 124A.23, subdivisions 1, 2, 3, and 5; 124A.26; 124A.28; 124C.45, subdivision 1a; 124C.46, subdivisions 1 and 2; 124C.498, subdivisions 1, 2, and 3; 125.05, subdivisions 1c and 2; 126.036; 126.037, subdivision 1; 126.113; 126.22, subdivisions 2, 3, and 3a; 126.23, subdivision 1; 126.531, subdivision 3; 127.26; 127.27, subdivisions 5, 6, 7, 8, 10, and by adding a subdivision; 127.281; 127.29; 127.30, subdivisions 1, 2, 3, and by adding a subdivision; 127.31, subdivisions 2, 7, 8, 13, 14, and 15; 127.311; 127.32; 127.33; 127.36; 127.37; 127.38; 128A.02, by adding a subdivision; 128C.02, subdivision 2, and by adding a subdivision; 128C.12, subdivision 1; 129C.10, subdivision 3; 134.155, subdivisions 2 and 3; 134.34, subdivision 4; 136D.72, subdivisions 2 and 3; 144.29; 169.01, subdivision 6; 169.21, subdivision 2; 169.435, subdivision 2; 169.443, subdivision 3; 169.444, subdivisions 2, 5, 6, 7, and by adding a subdivision; 169.447, subdivision 6; 169.4501, subdivisions 1 and 2; 169.4502, subdivisions 2, 7, 9, 11, and by adding subdivisions; 169.4503, subdivisions 1, 2, 10, 13, 14, 17, 19, 23, 24, and by adding a subdivision; 169.4504, subdivision 1, and by adding a subdivision; 169.452; 171.321, subdivision 3; 171.3215, subdivision 4; 179A.03, subdivision 19; 245.493, subdivision 1; 245.91, subdivision 2; 260A.02, subdivision 3; and 268.665, subdivision 2; Laws 1991, chapter 265, article 1, section 30, as amended; Laws 1993, chapter 146, article 5, section 20; Laws 1994, chapter 647, article 7, section 18, subdivisions 2 and 3; Laws 1995, First Special Session chapter 3, articles 1, section 56; 2, section 52; 3, section 11, subdivisions 1, 2, and 5; 4, section 29, subdivision 8; 8, section 25, subdivision 12; 11, section 21, subdivision 3; and 12, section 7, subdivision 1; Laws 1996, chapters 412, article 4, section 34, subdivision 4; and 461, section 3, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 121; 124; 124A; 126; 127; 128C; 135A; and 290; repealing Minnesota Statutes 1996, sections 120.105; 120.65; 121.11, subdivision 8; 121.602, subdivisions 3 and 5; 121.904, subdivisions 4c and 4d; 121.912, subdivision 7; 124.155; 124.223; 124.225, subdivisions 3a, 7a, 7b, 7d, 7e, 8a, and 8k; 124.226; 124.2728; 124.276, subdivision 2; 124.312, subdivisions 4 and 5; 124.3201, subdivisions 2a and 2b; 124.912, subdivisions 2 and 3; 124A.02, subdivision 24; 124A.22, subdivisions 4, 4a, and 4b; 124A.26, subdivisions 1a, 2, 3, 4, and 5; 127.31, subdivision 6; 128B.10; 134.34, subdivision 4a; 134.46; 169.4502, subdivision 6; 169.4503, subdivisions 3, 8, 9, 11, 12, and 22; and 169.454, subdivision 11.

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

Page 5, line 19, delete "(b)" and insert "(2)"

Page 11, after line 20, insert:

"Sec. 13. Minnesota Statutes 1996, section 124.17, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individual education plan is counted as the ratio of the number of hours of assessment and education service to 825 with a minimum of 0.28, but not more than one.

(b) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 825.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as .53 of a pupil unit for fiscal year 1995 and thereafter.

(e) A pupil who is in any of grades 1 to 6 is counted as 1.06 pupil units for fiscal year 1995 1998 and thereafter. For fiscal year 1998 and thereafter, a pupil who is in any of grades 1 to 3 is counted as 1.08 pupil units.

(f) ~~For fiscal year 1996 and fiscal year 1997, A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units. For fiscal year 1998, a pupil who is in any of grades 7 to 12 is counted as 1.25 pupil units. For fiscal year 1999 and later years, a pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.~~

(g) ~~For fiscal year 1996 and fiscal year 1997, A pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units. For fiscal year 1998, a pupil who is in the post-secondary enrollment options program is counted as 1.25 pupil units. For fiscal year 1999 and later years, a pupil who is in the post-secondary enrollment options program is counted as 1.2 pupil units.~~

(h) ~~In fiscal year 1998, the pupil units used in computing a district's general education revenue and referendum revenue may not be reduced by more than two percent due to the reduction in the secondary pupil weight from 1.3 as specified in paragraphs (f) and (g). In fiscal year 1999 and later years, the pupil units used in computing a district's general education revenue and referendum revenue may not be decreased by more than four percent due to the reduction in the secondary weight from 1.3 as specified in paragraphs (f) and (g)."~~

Page 11, line 32, delete "one-half" and insert "one-third"

Page 12, line 12, delete "one-half" and insert "one-third"

Page 12, line 16, delete ".60" and insert ".59"

Page 43, line 8, delete "\$1,336,756,000" and insert "\$1,334,825,000"

Page 48, line 19, delete "56 to 63" and insert "57 to 64"

Page 51, line 31, delete "60" and insert "61"

Page 51, line 33, delete "\$58,000,000" and insert "\$50,000,000"

Page 53, line 21, delete "56 to 63" and insert "57 to 64"

Page 54, line 22, delete "11" and insert "41"

Page 58, after line 3, insert:

"Sec. 78. [COMPENSATORY REVENUE GROWTH LIMIT.]

For fiscal years 1998 and 1999, the commissioner shall limit the growth in compensatory revenue a district receives according to this article. The commissioner shall compare the compensatory revenue a district receives under the changes in section 13 with the compensatory revenue per pupil unit a district would have received if section 13 had not been enacted. The pupil units shall be adjusted for the weight change in grades 1 through 3. A district may not receive an increase in compensatory revenue in excess of \$300 per pupil unit."

Page 58, line 11, delete "\$2,526,505,000" and insert "\$2,528,386,000"

Page 58, line 12, delete "\$2,644,383,000" and insert "\$2,647,829,000"

Page 58, line 14, delete "\$2,299,054,000" and insert "\$2,300,935,000"

Page 58, line 15, delete "\$241,559,000" and insert "\$241,759,000"

Page 58, line 16, delete "\$2,402,824,000" and insert "\$2,406,070,000"

Page 60, delete line 33 and insert:

"Sections 2, 15, 17, 18, 19, 29 to 34, 53, and 74 are"

Page 60, line 34, delete "13" and insert "14"

Page 60, delete line 35 and insert "16, 43, 47, 48, 55, 56, 57, 66, and 67 are effective for revenue"

Page 60, line 36, delete "44" and insert "45"

Page 61, line 2, delete "44" and insert "45" and delete "27" and insert "28"

Page 61, line 3, delete "25 and 26" and insert "26 and 27"

Page 62, line 20, delete "1999" and insert "2001"

Page 67, line 16, strike "and later"

Page 75, line 19, delete "2007" and insert "2001"

Page 76, line 13, strike "secondary vocational" and insert "school-to-work"

Page 76, line 25, strike "secondary vocational education" and insert "school-to-work"

Page 77, lines 19 and 20, delete "secondary vocational-disabled" and insert "school-to-work disabled"

Page 80, after line 17, insert:

"Sec. 33. Minnesota Statutes 1996, section 124.912, subdivision 6, is amended to read:

Subd. 6. [CRIME RELATED COSTS.] For taxes levied in 1991 and subsequent years, payable in 1992 and subsequent years, each school district may make a levy on all taxable property located within the school district for the purposes specified in this subdivision. The maximum amount which may be levied for all costs under this subdivision shall be equal to ~~\$1~~ \$1.50 multiplied by the population of the school district. For purposes of this subdivision, "population" of the school district means the same as contained in section 275.14. The proceeds of the levy must be used for reimbursing the cities and counties who contract with the school district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison services in the district's middle and secondary schools; (2) to pay the costs for a drug abuse prevention program as defined in Minnesota Statutes 1991 Supplement, section 609.101, subdivision 3, paragraph (f), in the elementary schools; or (3) to pay the costs for a gang resistance education training curriculum in the middle schools. The school district must initially attempt to contract for these services with the police department of each city or the sheriff's department of the county within the school district containing the school receiving the

services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. The levy authorized under this subdivision is not included in determining the school district's levy limitations."

Page 99, line 24, delete "PROGRAMS" and insert "ACTIVITIES"

Page 101, line 19, delete "under section .."

Page 123, line 1, delete "(1)" and insert "(a)"

Page 123, line 5, delete "(2)" and insert "(b)"

Page 139, line 21, delete "26" and insert "28"

Page 139, line 22, delete "27" and insert "29"

Page 162, line 20, delete "\$325,000" and insert "\$3,250,000"

Page 162, line 21, delete "\$325,000" and insert "\$3,250,000"

Page 163, line 15, delete "20" and insert "30"

Page 163, line 17, delete "\$10" and insert "\$15"

Page 165, after line 35, insert:

"Subd. 16. [ONE TIME AID FOR LOW SPENDING DISTRICTS.] For one time aid for low spending districts:

<u>\$15,000,000</u>	<u>1998</u>
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The commissioner shall allocate this revenue to qualifying districts that are low spending districts. To qualify, a district must have referendum authority under Minnesota Statutes, section 124A.03, and either qualify for sparsity revenue or where the referendum per pupil, after adjustments, is lower than 25 percent of the formula allowance."

Page 176, after line 27, insert:

"This appropriation is available until June 30, 1999."

Page 180, line 11, delete "shall" and insert "may"

Page 180, lines 28 and 29, delete "or by private companies through district contracts shall" and insert "may"

Page 201, line 18, delete "Notwithstanding section 15.059, subdivision 5,"

Page 229, line 32, after "Laws" insert "1996"

Page 229, line 33, delete "3" and insert "4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 23, after "subdivisions" insert "1,"

Page 1, line 40, delete "and" and after "3" insert ", and 6"

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

Mr. Johnson, D.J. from the Committee on Taxes, to which was re-referred

S.F. No. 1208: A bill for an act relating to MinnesotaCare; eliminating the health care commission; modifying the regional coordinating boards; eliminating integrated service networks; modifying the health technology advisory committee; expanding the eligibility of the MinnesotaCare program; modifying general assistance medical care; modifying the enforcement mechanisms for the provider tax pass-through; modifying mandatory Medicare assignment; making technical, policy, and administrative changes and connections to MinnesotaCare taxes; providing grants for MinnesotaCare outreach; appropriating money; amending Minnesota Statutes 1996, sections 60A.15, subdivision 1; 60A.951, subdivision 5; 62A.61; 62J.017; 62J.06; 62J.07, subdivisions 1 and 3; 62J.09, subdivision 1; 62J.15, subdivision 1; 62J.152, subdivisions 1, 2, 4, and 5; 62J.17, subdivision 6a; 62J.22; 62J.25; 62J.2914, subdivision 1; 62J.2915; 62J.2916, subdivision 1; 62J.2917, subdivision 2; 62J.2921, subdivision 2; 62J.451, subdivision 6b; 62M.02, subdivision 21; 62N.01, subdivision 1; 62N.22; 62N.23; 62N.25, subdivision 5; 62N.26; 62N.40; 62Q.01, subdivisions 3, 4, and 5; 62Q.03, subdivision 5a; 62Q.106; 62Q.19, subdivision 1; 62Q.33, subdivision 2; 62Q.45, subdivision 2; 136A.1355; 144.147, subdivisions 1, 2, 3, and 4; 144.1484, subdivision 1; 256.9352, subdivision 3; 256.9353, subdivisions 1, 3, and 7; 256.9354, subdivisions 4, 5, 6, 7, and by adding a subdivision; 256.9355, subdivisions 1, 4, and by adding a subdivision; 256.9357, subdivision 3; 256.9359, subdivision 2; 256.9363, subdivisions 1 and 5; 256.9657, subdivision 3; 256B.04, by adding a subdivision; 256D.03, subdivision 3; 295.50, subdivisions 3, 4, 6, 7, 9b, 13, and 14; 295.51, subdivision 1; 295.52, subdivision 4, and by adding subdivisions; 295.53, subdivisions 1, 3, and 4; 295.54, subdivisions 1 and 2; 295.55, subdivision 2; and 295.582; proposing coding for new law in Minnesota Statutes, chapters 16A; 144; and 256; repealing Minnesota Statutes 1996, sections 62J.04, subdivisions 4 and 7; 62J.05; 62J.051; 62J.09, subdivision 3a; 62J.37; 62N.01, subdivision 2; 62N.02, subdivisions 2, 3, 4b, 4c, 6, 7, 8, 9, 10, and 12; 62N.03; 62N.04; 62N.05; 62N.06; 62N.065; 62N.071; 62N.072; 62N.073; 62N.074; 62N.076; 62N.077; 62N.078; 62N.10; 62N.11; 62N.12; 62N.13; 62N.14; 62N.15; 62N.17; 62N.18; 62N.24; 62N.38; 62Q.165, subdivision 3; 62Q.25; 62Q.29; 62Q.41; 147.01, subdivision 6; 295.52, subdivision 1b; and 295.53, subdivision 5; Laws 1993, chapter 247, article 4, section 8; Laws 1994, chapter 625, article 5, section 5, as amended; Laws 1995, chapter 96, section 2; and Laws 1995, First Special Session chapter 3, article 13, section 2.

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

Page 60, lines 16 and 24, delete "services" and insert "service"

Page 60, delete line 19 and insert "exempt from payment of the tax imposed under this section"

Page 60, line 20, delete "(d)"

Page 60, delete line 27 and insert "exempt from payment of the tax imposed under this section"

Page 60, line 32, delete "nonpayment of installments" and insert "exemption from the tax"

Page 60, line 33, delete "this nonpayment" and insert "any exemption"

Page 65, delete section 8

Page 66, delete section 14

Page 72, lines 22 to 24, delete the new language

Page 72, line 25, delete "paid"

Page 73, lines 32 to 36, delete the new language

Page 75, after line 13, insert:

"Sec. 20. [MCHA ASSESSMENT OFFSET.]

In approving the premium rates as required in Minnesota Statutes, sections 62A.65, subdivision 3, and 62L.08, subdivision 8, the commissioners of health and commerce shall ensure that any offset to the annual assessment made by the contributing members to cover the costs of the

Minnesota comprehensive health insurance plan as required under Minnesota Statutes, section 62E.11, is reflected in the premium rate of each contributing member.

Sec. 21. [APPROPRIATION.]

\$16,000,000 is appropriated for fiscal year ending June 30, 1998, to be made available on January 1, 1998, and \$16,000,000 is appropriated for fiscal year ending June 30, 1999, to be made available on January 1, 1999, from the health care access fund to the Minnesota comprehensive health association to offset the annual assessments for calendar years 1998 and 1999 that are required to be paid by each contributing member in accordance with Minnesota Statutes, section 62E.11."

Page 75, delete lines 18 to 29 and insert:

"Section 2, subdivision 1, paragraphs (a) and (f), are effective for payments, revenues, and reimbursements received from the federal government on or after December 31, 1996.

Sections 1 and 3 are effective July 1, 1997.

Sections 4, 5, 6, 10, 11, 12, 13, 16, and 19 are effective for gross revenues received after December 31, 1997.

Section 15, subdivision 1, paragraph (a), clause (6), and paragraph (b) are effective the day following final enactment. Section 15, paragraph (a), clause (17), is effective for gross revenues received for hearing aids and related equipment or prescription eyewear after December 31, 1997.

Section 18 is effective January 1, 1998.

Section 20 is effective for estimated payments due after July 1, 1997.

Sections 7, 9, and 21, paragraph (c), are effective the day following final enactment.

Section 17 is effective for research expenditures incurred after December 31, 1995.

Section 22 is effective January 1, 1998."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 35, delete "9b,"

Page 1, line 36, after "adding" insert "a"

Page 1, line 37, delete the first "subdivisions" and insert "subdivision"

And when so amended the bill do pass and be re-referred to the Committee on Human Resources Finance. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 1925 was read the second time.

MEMBERS EXCUSED

Messrs. Beckman and Stumpf were excused from the Session of today. Ms. Ranum was excused from the Session of today from 12:00 noon to 2:00 p.m. Mr. Pogemiller was excused from the Session of today from 12:00 noon to 2:35 p.m. Ms. Berglin, Mr. Hottinger, Ms. Kiscaden, Messrs. Samuelson and Stevens were excused from the Session of today from 1:00 to 2:20 p.m. Mr. Murphy was excused from the Session of today from 1:15 to 2:00 p.m. Ms. Krentz was excused from the Session of today from 3:00 to 3:25 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:00 a.m., Wednesday, April 23, 1997. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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