

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-THIRD LEGISLATURE

FIFTY-FIFTH DAY

St. Paul, Minnesota, Tuesday, May 13, 2003

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

CALL OF THE SENATE

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

Prayer was offered by Senator Michael J. Jungbauer.

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

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

The President declared a quorum present.

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

RECESS

Senator Hottinger moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 12, 2003

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

On behalf of the people of Minnesota, I am honored to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 942, 1071, 515 and 433.

Sincerely,
Tim Pawlenty, Governor

May 12, 2003

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2003 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 2003	Date Filed 2003
942		29	11:58 a.m. May 12	May 12
	456	30	12:05 p.m. May 12	May 12
1071		32	2:45 p.m. May 12	May 12
	258	33	12:10 p.m. May 12	May 12
	1080	34	12:15 p.m. May 12	May 12
	700	35	12:17 p.m. May 12	May 12
515		36	12:18 p.m. May 12	May 12
433		37	4:20 p.m. May 12	May 12

Sincerely,
Mary Kiffmeyer
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. No. 407, 418 and 374.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 2003

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. 328: A bill for an act relating to health; authorizing the board of psychology to require an independent examination of a practitioner; classifying such information; amending Minnesota Statutes 2002, sections 13.383, subdivision 8; 148.941, by adding a subdivision.

Senate File No. 328 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 2003

Senator Solon moved that the Senate do not concur in the amendments by the House to S.F. No. 328, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 693: A bill for an act relating to the metropolitan council; authorizing the use of energy forward pricing mechanisms; proposing coding for new law in Minnesota Statutes, chapter 473.

Senate File No. 693 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 2003

Senator Hottinger, for Senator Wiger, moved that the Senate do not concur in the amendments by the House to S.F. No. 693, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 784:

H.F. No. 784: A bill for an act relating to crimes; prohibiting interfering with emergency communications; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Smith, Fuller, Walz, Lipman and Strachan have been appointed as such committee on the part of the House.

House File No. 784 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 2003

Senator Foley moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 784, and that a Conference Committee of 5 members be appointed by the

Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 980: A bill for an act relating to crime; providing reporting procedures and venue for identity theft; amending Minnesota Statutes 2002, section 609.527, by adding subdivisions.

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

Paulsen, Meslow and Pugh.

Senate File No. 980 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 2003

Mr. President:

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

S.F. No. 351: A bill for an act relating to crime prevention; providing that in certain cases authorized representatives of entities possessing a permit to use radio equipment capable of receiving police emergency transmissions may use and possess the equipment without a permit; amending Minnesota Statutes 2002, section 299C.37, subdivisions 1, 3.

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

Dill, Rhodes and Powell.

Senate File No. 351 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 2003

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 754, 293, 504, 860, 984, 680, 306, 723, 671 and 883.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 2003

FIRST READING OF HOUSE BILLS

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

H.F. No. 754: A bill for an act relating to eminent domain; changing the definition of displaced person to correspond to federal law; amending Minnesota Statutes 2002, section 117.50, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 688, now on General Orders.

H.F. No. 293: A bill for an act relating to municipalities; allowing the prescribing of certain

fees by a fee schedule; amending Minnesota Statutes 2002, section 462.353, subdivision 4, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 197, now on General Orders.

H.F. No. 504: A bill for an act relating to elections; limiting certain ballot questions; amending Minnesota Statutes 2002, section 205.10, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 384, now on General Orders.

H.F. No. 860: A bill for an act relating to energy; exempting small municipal utilities from certain conservation reporting requirements; authorizing use of conservation funds for refurbishing municipal district heating and cooling systems; amending Minnesota Statutes 2002, section 216B.241, subdivision 1b.

Referred to the Committee on Commerce and Utilities.

H.F. No. 984: A bill for an act relating to cooperatives; authorizing businesses to organize as cooperative associations; providing penalties; amending Minnesota Statutes 2002, sections 80A.14, subdivision 17; 80A.15, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 308B.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 679, now on General Orders.

H.F. No. 680: A bill for an act relating to education; providing for opportunity to respond to nonrenewal of certain coaching contracts; amending Minnesota Statutes 2002, section 122A.33.

Referred to the Committee on Education.

H.F. No. 306: A bill for an act relating to local government; authorizing reimbursement by the city of Biwabik to the town of White according to their orderly annexation agreement.

Referred to the Committee on State and Local Government Operations.

H.F. No. 723: A bill for an act relating to traffic regulations; exempting occupants of certain motor vehicles from seat belt law; amending Minnesota Statutes 2002, section 169.686, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 456, now on General Orders.

H.F. No. 671: A bill for an act relating to telecommunications; regulating promotions and packages of telephone company services; removing sunset expiration dates for alternative regulation plans for telecommunications providers and highway weight limit exemptions for utility vehicles; amending Minnesota Statutes 2002, section 237.626; Laws 1995, chapter 156, section 25; Laws 2002, chapter 433, section 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 660, now on General Orders.

H.F. No. 883: A bill for an act relating to metropolitan government; changing the composition, filing of appointments, and the terms of office of the members of the metropolitan airports commission; providing for oversight of the metropolitan council and airports commission by the legislative commission on metropolitan government; amending Minnesota Statutes 2002, sections 3.8841, subdivision 1, by adding a subdivision; 473.601, subdivision 4; 473.604, subdivisions 1, 2, 3, by adding a subdivision; 473.605, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 602, now on General Orders.

REPORTS OF COMMITTEES

Senator Hottinger moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 778 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.
778	758				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 778 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 778 and insert the language after the enacting clause of S.F. No. 758, the third engrossment; further, delete the title of H.F. No. 778 and insert the title of S.F. No. 758, the third engrossment.

And when so amended H.F. No. 778 will be identical to S.F. No. 758, and further recommends that H.F. No. 778 be given its second reading and substituted for S.F. No. 758, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 1016 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.
1016	1363				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1016 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1016 and insert the language after the enacting clause of S.F. No. 1363, the first engrossment; further, delete the title of H.F. No. 1016 and insert the title of S.F. No. 1363, the first engrossment.

And when so amended H.F. No. 1016 will be identical to S.F. No. 1363, and further recommends that H.F. No. 1016 be given its second reading and substituted for S.F. No. 1363, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, 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.

SECOND READING OF HOUSE BILLS

H.F. Nos. 778 and 1016 were read the second time.

MOTIONS AND RESOLUTIONS**Senator Johnson, D.J. introduced--**

Senate Resolution No. 78: A Senate resolution congratulating Ryan Tubbs for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Senator Pogemiller, for the Committee on Taxes, introduced--

S.F. No. 1547: A bill for an act relating to financing and operation of state and local government; making changes to income, franchise, sales and use, property, motor vehicle sales, mortgage registry, deed, cigarette and tobacco, liquor, minerals, and special taxes; increasing certain tax rates, changing and allowing tax credits, subtractions and exemptions, adding requirements for foreign operating corporations; increasing individual income tax rates; apportioning income; modifying property tax rates, class rates, and bases; modifying aids to local units of government; prohibiting increases in certain levies; providing an investment credit; providing tax incentives for biotechnology and health sciences industry and international economic development zones; authorizing county economic development authorities; authorizing Anoka county to grant certain powers to its housing and redevelopment authority; funding the cash flow and budget reserve accounts; modifying the imposition of taxes on certain minerals and providing for the distribution of the proceeds of taxes on minerals; limiting agency contracts; distributing payment of certain court fines; accelerating payments for mortgage registry and deed tax; accelerating payment of sales and excise taxes; changing interest payment dates; providing a partial exemption from motor vehicle sales tax for rechargeable powered vehicles; authorizing actions by the mosquito control district; providing for early childhood, family, and kindergarten through grade 12 education, including general education, educational excellence and other policy, special programs, education reform, facilities and technology, fund transfers, nutrition programs, libraries, family and early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, administrative amendment and repeal of certain provisions, technical amendments, education forecast adjustments; appropriating money; amending Minnesota Statutes 2002, sections 12.21, subdivision 3; 16A.152, subdivisions 1, 1b, 2; 16C.03, by adding a subdivision; 18B.07, subdivision 2; 62J.692, subdivision 4, by adding a subdivision; 84A.51, subdivision 4; 119A.52; 119A.53; 119B.011, subdivision 20; 120A.05, subdivision 9; 122A.21; 122A.41, subdivision 2; 122A.413; 122A.414, by adding a subdivision; 122A.415, subdivision 3; 122A.63, subdivision 3; 123A.06, subdivision 3; 123A.18, subdivision 2; 123A.73, subdivisions 3, 4, 5; 123B.02, subdivision 1; 123B.51, subdivisions 3, 4; 123B.53, subdivision 4; 123B.54; 123B.57, subdivisions 1, 4, 6; 123B.59, subdivisions 1, 2, 3, 5, by adding a subdivision; 123B.63, subdivisions 1, 2, 3, 4; 123B.72, subdivision 3; 123B.75, subdivision 5; 123B.92, subdivisions 1, 3; 123B.93; 124D.03, subdivision 12; 124D.081, by adding a subdivision; 124D.09, subdivisions 3, 9, 10, 16; 124D.10, subdivisions 13, 23a; 124D.11, subdivisions 1, 2, 4, 6, 9; 124D.128, subdivision 2; 124D.135, subdivision 8; 124D.16, subdivision 6; 124D.19, subdivision 3; 124D.20, subdivision 5, by adding subdivisions; 124D.22, subdivision 3; 124D.454, subdivisions 1, 2, 3, 8, 10, by adding a subdivision; 124D.52, subdivision 3; 124D.531, subdivisions 1, 4, 7, by adding a subdivision; 124D.59, subdivision 2; 124D.65, subdivision 5; 124D.86, subdivisions 1a, 3, 4, 5, 6; 124D.88, by adding a subdivision; 125A.05; 125A.12; 125A.21, subdivision 2; 126C.05, subdivision 16; 126C.10, subdivisions 4, 6, 28; 126C.15, subdivision 1; 126C.17, subdivisions 5, 7a, 9, 11; 126C.21, subdivision 3; 126C.42, subdivision 1; 126C.457; 126C.48, subdivision 3;

126C.55, subdivision 5; 126C.63, subdivisions 5, 8; 126C.69, subdivisions 2, 9; 127A.05, subdivisions 1, 4; 127A.45, subdivisions 2, 3, 7a, 10, 12, 13, 14, 16; 127A.47, subdivisions 7, 8; 127A.49, subdivisions 2, 3; 128D.11, subdivision 8; 134.001, by adding a subdivision; 134.22; 134.32; 134.34, subdivision 4; 169.26, subdivision 3; 169.435; 169.449, subdivision 1; 169.4501, subdivisions 3, 4; 169.973, subdivision 1; 178.02, subdivision 1; 270.059; 272.02, by adding a subdivision; 273.13, subdivisions 24, 25; 273.134; 273.135, subdivisions 1, 2; 273.138, subdivision 6; 273.1384, subdivision 4; 273.1391, subdivision 2; 273.1398, subdivisions 4a, 4c, 6, 8; 275.025, subdivisions 1, 2; 276A.06, by adding a subdivision; 287.12; 287.29, subdivision 1; 289A.20, subdivision 4; 289A.31, subdivision 7; 289A.56, subdivision 4; 289A.60, subdivision 15; 290.01, subdivisions 6b, 29; 290.05, subdivision 1; 290.06, subdivisions 2c, 2d, by adding a subdivision; 290.0921, subdivision 3; 290.0922, subdivision 3; 290.17, subdivisions 2, 4; 290.191, subdivision 1, by adding a subdivision; 297A.68, subdivision 4, by adding subdivisions; 297A.71, by adding a subdivision; 297A.75, subdivision 4; 297B.03; 297F.05, subdivisions 1, 3, 4; 297F.08, subdivision 7; 297F.09, subdivisions 1, 2, by adding a subdivision; 297F.10, subdivision 1; 297G.09, by adding a subdivision; 297H.06, subdivision 1; 298.001, by adding a subdivision; 298.01, subdivisions 3, 3a; 298.015; 298.016, subdivisions 1, 2, 4; 298.018; 298.2211, subdivision 1; 298.225, subdivision 1; 298.24, subdivision 1; 298.28, subdivision 4; 298.292, subdivision 2; 298.296, subdivision 4; 298.2961, by adding a subdivision; 473.702; 473.703, subdivision 1; 473.704, subdivision 17; 473.705; 473.714, subdivision 1; 475.61, subdivisions 1, 3, 4; 477A.011, subdivisions 20, 31, 34, by adding subdivisions; 477A.013, subdivisions 8, 9; 477A.03, subdivision 2; 611.27, subdivisions 13, 15; Laws 1965, chapter 705, as amended; Laws 1978, chapter 464, section 1; Laws 2000, chapter 489, article 2, section 36, as amended; Laws 2001, First Special Session chapter 5, article 12, section 95, as amended; proposing coding for new law in Minnesota Statutes, chapters 122A; 123B; 125B; 126C; 127A; 134; 273; 290; 297F; 298; 469; 477A; repealing Minnesota Statutes 2002, sections 37.13, subdivision 2; 122A.414; 122A.415; 123A.73, subdivisions 7, 10, 11; 123B.81, subdivision 6; 124D.11, subdivision 8; 124D.84, subdivision 2; 125A.023, subdivision 5; 125A.75, subdivision 8; 125B.11; 126C.01, subdivision 4; 126C.14; 126C.55, subdivision 5; 127A.41, subdivision 6; 134.34, subdivision 4; 273.138; 273.1398, subdivision 2; 273.166; 298.01, subdivisions 3c, 3d; 298.017; 298.24, subdivision 3; 325E.112, subdivision 2a; 473.714, subdivision 2; 477A.011, subdivisions 36, 37; 477A.0121, subdivisions 1, 2, 3, 4, 5, 6; 477A.0122, subdivisions 1, 2, 3, 4, 5, 6; 477A.0123; 477A.03, subdivision 4; 477A.06; 477A.065; 477A.07; Laws 2001, First Special Session chapter 3, article 4, section 1; Laws 2001, First Special Session chapter 3, article 4, section 2; Laws 2001, First Special Session chapter 6, article 2, section 52; Laws 2001, First Special Session chapter 6, article 2, section 64; Laws 2001, First Special Session chapter 6, article 2, section 70; Laws 2001, First Special Session chapter 6, article 5, section 12, as amended; Minnesota Rules, parts 3500.0600; 3520.0400; 3520.1400; 3520.3300; 3530.1500; 3530.2700; 3530.4400; 3530.4500; 3530.4700; 3550.0100.

Under the Rules of the Senate, laid over one day.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Hottinger, Chair of the Committee on Rules and Administration, designated H.F. No. 1597 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1597: A bill for an act relating to financing and operation of state and local government; providing for job opportunity building zones; providing for a biotechnology and health services industry zone; changing income, corporate franchise, estate, sales and use, motor vehicle sales, property, minerals, gravel, cigarette and tobacco, liquor, mortgage registry and deed, healthcare provider, insurance premiums, hazardous waste generator, and other taxes and tax provisions; changing and providing powers and duties relating to tax administration, collection, compliance, and enforcement; updating provisions to the internal revenue code; changing provisions relating to the state elections campaign fund; changing June accelerated tax liability

provisions and extending the requirements to other taxes; changing and providing for intergovernmental aids; imposing levy limits; changing truth in taxation provisions and providing for reverse referenda; providing for economic development incentives; changing tax increment financing provisions; changing certain levy and other provisions relating to the metropolitan council and the metropolitan mosquito control district; authorizing towns to impose certain charges; giving special powers to the cities of Medford, Newport, Moorhead, Duluth, and Hopkins; repealing certain local laws; establishing a legislative commission on unnecessary mandates; providing for funding adjustments for certain state mandated programs; changing provisions relating to local impact notes; abolishing or providing for the expiration of certain funds and accounts; providing for cash flow and budget reserve accounts; providing for deposit of certain revenues in the general fund; providing for data disclosure; requiring studies and reports; providing for appointments; authorizing grants; imposing penalties; appropriating money; amending Minnesota Statutes 2002, sections 3.842, subdivision 4a; 3.843; 3.986, subdivision 4; 3.987, subdivision 1; 4A.02; 8.30; 10A.31, subdivisions 1, 3; 16A.152, subdivisions 1, 1b, 2, 7; 62J.694, subdivision 4; 115B.24, subdivision 8; 144.395, subdivision 3; 161.465; 168.27, subdivision 4a; 168A.03; 168A.05, subdivision 1a; 216B.2424, subdivision 5; 270.06; 270.10, subdivision 1a; 270.60, subdivision 4; 270.67, subdivision 4; 270.69, by adding a subdivision; 270.701, subdivision 2, by adding a subdivision; 270.72, subdivision 2; 270A.03, subdivision 2; 270B.12, by adding a subdivision; 272.02, subdivisions 31, 47, 48, 53, by adding subdivisions; 272.029, by adding a subdivision; 272.12; 273.01; 273.05, subdivision 1; 273.061, by adding subdivisions; 273.08; 273.11, subdivision 1a; 273.112, subdivision 3; 273.124, subdivisions 1, 14; 273.13, subdivisions 22, 23, 25; 273.1398, subdivisions 4a, 4b, 4c, 6, 8; 273.372; 273.42, subdivision 2; 274.01, subdivision 1; 274.13, subdivision 1; 275.025, subdivisions 1, 3, 4; 275.065, subdivisions 1, 1a, 1c, 3, 6, 8, by adding a subdivision; 275.07, subdivision 1; 275.70, subdivision 5; 275.71, subdivisions 2, 4, 5, 6; 275.72, subdivision 3; 275.73, subdivision 2; 275.74, subdivision 3; 276.10; 276.11, subdivision 1; 277.20, subdivision 2; 278.01, subdivision 4; 278.05, subdivision 6; 279.06, subdivision 1; 281.17; 282.01, subdivision 7a; 282.08; 287.12; 287.29, subdivision 1; 287.31, by adding a subdivision; 289A.02, subdivision 7; 289A.10, subdivision 1; 289A.18, subdivision 4; 289A.19, subdivision 4; 289A.20, subdivision 4; 289A.31, subdivisions 3, 4, 7, by adding a subdivision; 289A.36, subdivision 7, by adding subdivisions; 289A.40, subdivision 2; 289A.50, subdivision 2a, by adding subdivisions; 289A.56, subdivisions 3, 4; 289A.60, subdivisions 7, 15, by adding a subdivision; 290.01, subdivisions 19, 19a, 19b, 19c, 19d, 29, 31; 290.05, subdivision 1; 290.06, subdivisions 2c, 23, 24, by adding subdivisions; 290.067, subdivision 1; 290.0671, subdivision 1; 290.0675, subdivisions 2, 3; 290.0679, subdivision 2; 290.0802, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 3; 290.0922, subdivisions 2, 3; 290.17, subdivision 4; 290.191, subdivision 1; 290A.03, subdivisions 8, 15; 290C.02, subdivisions 3, 7; 290C.03; 290C.07; 290C.09; 290C.10; 290C.11; 291.005, subdivision 1; 291.03, subdivision 1; 295.50, subdivision 9b; 295.53, subdivision 1; 295.58; 297A.61, subdivisions 3, 7, 10, 12, 17, 30, 31, 34, by adding subdivisions; 297A.66, by adding a subdivision; 297A.665; 297A.668; 297A.67, subdivisions 2, 7, 8, by adding a subdivision; 297A.68, subdivisions 2, 4, 5, 36, by adding subdivisions; 297A.69, subdivisions 2, 3, 4; 297A.70, subdivisions 8, 16; 297A.71, by adding a subdivision; 297A.75, subdivision 4; 297A.81; 297A.82, subdivision 4; 297A.85; 297A.99, subdivisions 5, 10, 12; 297A.995, by adding a subdivision; 297B.01, subdivision 7; 297B.025, subdivisions 1, 2; 297B.03; 297B.035, subdivision 1, by adding a subdivision; 297F.01, subdivisions 21a, 23; 297F.05, subdivision 1; 297F.06, subdivision 4; 297F.08, subdivision 7; 297F.09, subdivisions 1, 2, by adding a subdivision; 297F.10, subdivision 1; 297F.20, subdivisions 1, 2, 3, 6, 9; 297G.01, by adding a subdivision; 297G.03, subdivision 1; 297G.09, by adding a subdivision; 297I.01, subdivision 9; 297I.20; 298.001, by adding a subdivision; 298.01, subdivisions 3, 3a, 4; 298.015, subdivisions 1, 2; 298.016, subdivision 4; 298.018; 298.24, subdivision 1; 298.27; 298.28, subdivisions 9a, 11; 298.75, subdivision 1; 325D.421, subdivision 2, by adding a subdivision; 349.16, by adding a subdivision; 352.15, subdivision 1; 353.15, subdivision 1; 354.10, subdivision 1; 354B.30; 354C.165; 366.011; 366.012; 469.169, by adding a subdivision; 469.1731, subdivision 3; 469.174, subdivisions 3, 6, 10, 25, by adding a subdivision; 469.175, subdivisions 1, 3, 4, 6; 469.176, subdivisions 1c, 2, 3, 4d, 4l, 7; 469.1763, subdivisions 1, 2, 3, 4, 6; 469.177, subdivisions 1, 12; 469.1771, subdivision 4, by adding a subdivision; 469.178, subdivision 7; 469.1791, subdivision 3; 469.1792, subdivisions 1, 2, 3; 469.1813, subdivision 8; 469.1815, subdivision 1; 473.167, subdivision 3; 473.246; 473.249, subdivision 1; 473.253, subdivision 1; 473.702; 473.711, subdivision 2a;

473F.07, subdivision 4; 477A.011, subdivisions 34, 36, by adding subdivisions; 477A.013, subdivisions 8, 9; 477A.03, subdivision 2; 515B.1-116; 611.27, subdivisions 13, 15; Laws 1997, chapter 231, article 10, section 25; Laws 2001, First Special Session chapter 5, article 3, section 61; Laws 2001, First Special Session chapter 5, article 3, section 63; Laws 2001, First Special Session chapter 5, article 9, section 12; Laws 2001, First Special Session chapter 5, article 12, section 95, as amended; Laws 2002, chapter 377, article 6, section 4; Laws 2002, chapter 377, article 7, section 3; Laws 2002, chapter 377, article 11, section 1; Laws 2002, chapter 377, article 12, section 17; proposing coding for new law in Minnesota Statutes, chapters 3; 123A; 126C; 270; 273; 274; 275; 276; 290C; 297A; 297F; 469; 477A; repealing Minnesota Statutes 2002, sections 270.691, subdivision 8; 273.138, subdivisions 2, 3, 6; 273.1398, subdivisions 2, 2c, 4, 4d; 273.166; 274.04; 275.065, subdivisions 3a, 4; 290.0671, subdivision 3; 290.0675, subdivision 5; 294.01; 294.02; 294.021; 294.03; 294.06; 294.07; 294.08; 294.09; 294.10; 294.11; 294.12; 297A.61, subdivisions 14, 15; 297A.69, subdivision 5; 297A.72, subdivision 1; 297A.97; 298.01, subdivisions 3c, 3d, 4d, 4e; 298.017; 298.24, subdivision 3; 298.28, subdivisions 9, 9b, 10; 298.2961; 298.297; 325E.112, subdivision 2a; 473.711, subdivision 2b; 477A.011, subdivision 37; 477A.0121; 477A.0122; 477A.0123; 477A.0132; 477A.03, subdivisions 3, 4; 477A.06; 477A.065; 477A.07; Laws 1984, chapter 652, section 2; Laws 2002, chapter 390, sections 36, 37, 38; Minnesota Rules, parts 8007.0300, subpart 3; 8009.7100; 8009.7200; 8009.7300; 8009.7400; 8092.1000; 8106.0100, subparts 11, 15, 16; 8106.0200; 8125.1000; 8125.1300, subpart 1; 8125.1400; 8130.0800, subparts 5, 12; 8130.1300; 8130.1600, subpart 5; 8130.1700, subparts 3, 4; 8130.4800, subpart 2; 8130.7500, subpart 5; 8130.8000; 8130.8300.

Senator Pogemiller moved to amend H.F. No. 1597 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1597, and insert the language after the enacting clause, and the title, of S.F. No. 1547, as introduced.

The motion prevailed. So the amendment was adopted.

Senator Pogemiller then moved to amend H.F. No. 1597, as amended by the Senate May 13, 2003, as follows:

(The text of the amended House File is identical to S.F. No. 1547.)

Page 20, line 18, after "2003" insert "to 2005"

Page 20, line 19, strike "2004" and insert "2006"

Page 26, line 17, strike everything after the period

Page 26, strike lines 18 to 25

Page 27, line 31, delete the new language

Page 27, delete line 32 and insert "without regard to any class rate changes required under sections 1 and 2 of this article,"

Page 29, line 28, after "of" insert "occupied"

Page 32, lines 32 and 36, delete "2005" and insert "2006"

Page 33, lines 3 and 7, delete "2005" and insert "2006"

Page 33, line 34, delete "effect" and insert "effort"

Page 34, line 8, delete "effect" and insert "effort"

Page 35, line 6, delete "2004" and insert "2003"

Page 54, line 12, delete "January 1, 2004" and insert "July 1, 2003"

Page 65, line 27, delete "2003" and insert "2005"

Page 135, line 14, after the headnote, insert "(a)"

Page 135, after line 21, insert:

"(b) Of the appropriation for fiscal year 2005, \$40,478,000 is from the education reserve account in the general fund provided under Minnesota Statutes, section 275.025, subdivision 1."

Page 260, after line 30, insert:

"Sec. 8. [TEMPORARY MOSQUITO CONTROL AID.]

In each of 2004 and 2005, \$2,000,000 is appropriated from the general fund to the metropolitan mosquito control commission to be used for the purposes of Minnesota Statutes, sections 473.701 to 473.716."

Page 261, line 20, delete "\$300,000,000" and insert "\$285,000,000"

Page 262, line 2, after "1b" insert "until that account"

Page 269, line 23, delete "(a)"

Page 269, delete lines 34 to 36

Page 270, delete lines 1 and 2

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Chaudhary moved to amend H.F. No. 1597, as amended by the Senate May 13, 2003, as follows:

(The text of the amended House File is identical to S.F. No. 1547.)

Page 269, after line 14, insert:

"Sec. 13. [325D.125] [EMPLOYERS NOT TO MISREPRESENT STATUS OF EMPLOYEES.]

Subdivision 1. [MISREPRESENTATION PROHIBITED.] No employer in the construction industry shall misrepresent the nature of its employment relationship with its employees to any federal, state, or local government unit, to other employers or to its employees. An employer misrepresents the nature of its employment relationship with its employees if it makes any statement regarding the nature of the relationship that the employer does not in good faith believe to be true and if it fails to report individuals as employees when legally required to do so.

Subd. 2. [EMPLOYEE COERCION PROHIBITED.] No employer shall require or request any employee to enter into any agreement, or sign any document, that results in misclassification of the employee as an independent contractor or otherwise does not accurately reflect the employment relationship with the employer.

Subd. 3. [VIOLATIONS.] Any court finding any person guilty of violating this section shall transmit a copy of the documentation of the finding of guilt to the commissioner of labor and industry. The commissioner of labor and industry shall report the finding of guilt to relevant state and federal agencies, including at least the commissioner of commerce, the commissioner of economic security, the commissioner of revenue, the federal Internal Revenue Service, and the United States Department of Labor.

Subd. 4. [CRIMINAL PENALTY.] Any violation of this section is a gross misdemeanor.

Subd. 5. [RESTRAINING ORDERS.] Violations of this section are not subject to injunctive relief under section 325D.15.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Senator Pogemiller imposed a call of the Senate for the balance of the proceedings on H.F. No. 1597. The Sergeant at Arms was instructed to bring in the absent members.

Senator Limmer questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Sams moved to amend H.F. No. 1597, as amended by the Senate May 13, 2003, as follows:

(The text of the amended House File is identical to S.F. No. 1547.)

Page 263, after line 24, insert:

"Sec. 6. Minnesota Statutes 2002, section 270A.03, subdivision 2, is amended to read:

Subd. 2. [CLAIMANT AGENCY.] "Claimant agency" means any state agency, as defined by section 14.02, subdivision 2, the regents of the University of Minnesota, any district court of the state, any county, any statutory or home rule charter city presenting a claim for a municipal hospital or a public library or a ~~municipal~~ an ambulance service licensed under chapter 144E, a hospital district, a private nonprofit hospital that leases its building from the county in which it is located, any public agency responsible for child support enforcement, any public agency responsible for the collection of court-ordered restitution, and any public agency established by general or special law that is responsible for the administration of a low-income housing program."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Knutson moved to amend H.F. No. 1597, as amended by the Senate May 13, 2003, as follows:

(The text of the amended House File is identical to S.F. No. 1547.)

Page 144, after line 24, insert:

"Sec. 13. Laws 2001, First Special Session chapter 6, article 2, section 64, is amended to read:

Sec. 64. [SCHOOLS' ACADEMIC AND FINANCIAL PERFORMANCE EVALUATION; INDEPENDENT CONTRACTOR.]

(a) To assist taxpayers, educators, school board members, and state and local officials in realizing their commitment to improving student achievement and the management of school systems, the commissioner of children, families, and learning shall contract with an independent school evaluation services contractor to evaluate and report on the academic and financial performance of the state's independent school districts using, but not limited to, six core categories of analysis:

(1) school district expenditures;

Those who voted in the affirmative were:

Belanger	Johnson, D.J.	Koering	Nienow	Robling
Day	Jungbauer	Larson	Olson	Rosen
Dille	Kierlin	Limmer	Ortman	Ruud
Fischbach	Kiscaden	McGinn	Ourada	Senjem
Frederickson	Kleis	Michel	Pariseau	Wergin
Gaither	Knutson	Neuville	Reiter	

Those who voted in the negative were:

Anderson	Foley	Lourey	Rest	Stumpf
Bachmann	Higgins	Marko	Sams	Tomassoni
Bakk	Hottinger	Marty	Saxhaug	Vickerman
Berglin	Johnson, D.E.	Metzen	Scheid	Wiger
Betzold	Kelley	Moua	Skoe	
Chaudhary	Kubly	Pappas	Skoglund	
Cohen	Langseth	Pogemiller	Solon	
Dibble	LeClair	Ranum	Sparks	

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

Senator Pogemiller moved to amend H.F. No. 1597, as amended by the Senate May 13, 2003, as follows:

(The text of the amended House File is identical to S.F. No. 1547.)

Pages 3 to 255, delete articles 1 to 19 and insert:

"ARTICLE 1

2003/2004 CITY AND COUNTY AID REDUCTIONS

Section 1. [DEFINITIONS.]

(a) For purposes of this article, the following terms have the meanings given them in this section.

(b) The 2003 "levy plus aid revenue base" for a city is the sum of that city's certified property tax levy for taxes payable in 2003, as reported to the commissioner of revenue under Minnesota Statutes, section 275.74, plus the sum of the amounts the city was certified to receive in 2003 as:

- (1) local government aid under Minnesota Statutes, section 477A.013;
- (2) existing low-income housing aid under Minnesota Statutes, section 477A.06;
- (3) new construction low-income housing aid under Minnesota Statutes, section 477A.065;
- (4) taconite aids under Minnesota Statutes, sections 298.28 and 298.282, including any aid which was required to be placed in a special fund for expenditure in the next succeeding year; and
- (5) transit property tax replacement aid under Minnesota Statutes, section 174.242.

(c) The 2003 and 2004 "levy plus aid revenue base" for a county is the sum of that county's certified property tax levy for taxes payable in 2003, as reported to the commissioner of revenue under Minnesota Statutes, section 275.74, plus the sum of the amounts the county was certified to receive in the designated calendar year as:

- (1) homestead and agricultural credit aid under Minnesota Statutes, sections 273.1398, subdivision 2, and 273.166;
- (2) criminal justice aid under Minnesota Statutes, section 477A.0121;
- (3) family preservation aid under Minnesota Statutes, section 477A.0122;
- (4) taconite aids under Minnesota Statutes, sections 298.28 and 298.282, including any aid which was required to be placed in a special fund for expenditure in the next succeeding year;

- (5) transit property tax replacement aid under Minnesota Statutes, section 174.242; and
- (6) county program aid under section 477A.0124.

(d) "Total revenues" for a city or county for a particular year are the total revenues amount for that city or county, as reported by the state auditor for the same year, or for the most recent preceding year for which the state auditor has reported, excluding grants between political subdivisions and amounts borrowed by the city or county but including net transfers from an enterprise fund.

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

Sec. 2. [2003 CITY AID REDUCTIONS.]

The commissioner of revenue shall compute an aid reduction amount for each city for 2003 equal to 9.3 percent of the city's levy plus aid revenue base for 2003.

The reduction amount is limited to 3.5 percent of the city's total revenues for 2003 if a city has a population under 1,000 or if the city has a three-year levy plus aid revenue base increase average of less than two percent. For all other cities, the reduction amount is limited to five percent of the city's total revenues for 2003.

The reduction is further limited to the sum of the city's payable 2003 distribution pursuant to Minnesota Statutes, section 477A.013, and related sections, and the city's payable 2003 reimbursement under Minnesota Statutes, section 273.1384.

The reduction is applied first to the city's distribution pursuant to Minnesota Statutes, section 477A.013, and then if necessary to the city's reimbursements pursuant to Minnesota Statutes, section 273.1384.

To the extent that sufficient information is available on each successive payment date within the year, the commissioner of revenue shall pay any remaining 2003 distribution or reimbursement amount reduced under this section in equal installments on the payment dates provided in law.

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

Sec. 3. [2003 COUNTY AID REDUCTIONS.]

The commissioner of revenue shall compute an aid reduction amount for each county for 2003 equal to 3.2 percent of the county's levy plus aid revenue base for 2003.

The reduction amount is limited to 1.5 percent of the county's total revenues for 2003 if a county has a three-year levy plus aid revenue base increase average of less than two percent. For all other counties, the reduction amount is limited to two percent of the county's total revenues for 2003.

The reduction is further limited to the sum of the county's payable 2003 distributions pursuant to Minnesota Statutes, sections 273.138; 273.1384; 273.1398, subdivision 2; 273.166; 477A.0121; and 477A.0122.

The aid reduction is applied first to reduce the county's 2003 distribution pursuant to Minnesota Statutes, section 273.138, then to reduce, in this sequence, the aid payable in 2003 under Minnesota Statutes, sections 273.1398, subdivision 2; 273.166; 477A.0121; and 477A.0122. Then, if necessary, the county's reimbursements pursuant to Minnesota Statutes, section 273.1384, are to be reduced.

To the extent that sufficient information is available on each successive payment date within the year, the commissioner of revenue shall pay any remaining 2003 distribution or reimbursement amount reduced under this section in equal installments on the payment dates provided in law.

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

Sec. 4. [TOWNSHIP AID REDUCTIONS.]

The commissioner of revenue shall compute an aid reduction amount for each township for 2003 equal to two percent of the town's certified levy for taxes payable in 2003.

The reduction is limited to the amount of the town's payable 2003 reimbursement pursuant to Minnesota Statutes, section 273.1384.

To the extent that sufficient information is available on each successive payment date within the year, the commissioner of revenue shall pay any remaining 2003 reimbursement amount for the town in equal installments on the payment dates provided in law.

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

Sec. 5. [2003 SPECIAL TAXING DISTRICT AID REDUCTIONS.]

The commissioner of revenue shall compute an aid reduction amount for each special taxing district for 2003 equal to 1.5 percent of the district's certified levy for taxes payable in 2003.

The reduction is limited to the amount of the district's payable 2003 reimbursement pursuant to Minnesota Statutes, section 237.1384.

To the extent that sufficient information is available on each successive payment date within the year, the commissioner of revenue shall pay any remaining 2003 reimbursement amount for the district in equal installments on the payment dates provided in law.

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

Sec. 6. [2004 CITY AID REDUCTIONS.]

The commissioner of revenue shall compute an aid reduction amount for 2004 for each city as provided in this section.

The initial aid reduction amount for each city is the amount by which the city's aid distribution under Minnesota Statutes, section 477A.013, and related provisions payable in 2003 exceeds the city's 2004 distribution under those provisions.

The maximum aid reduction amount for a city is an amount equal to 9.5 percent of the city's total revenues for 2004, except that if the city has either a population under 1,000 or a three-year levy plus aid revenue base increase average of less than two percent, the maximum aid reduction shall not exceed an amount equal to eight percent of the city's total revenues for 2004.

If the initial aid reduction amount for a city is less than the maximum aid reduction amount for that city, the final aid reduction amount for the city is the sum of the initial aid reduction amount and the lesser of the amount of the city's payable 2004 reimbursement under Minnesota Statutes, section 273.1384, or the difference between the maximum and initial aid reduction amounts for the city.

If the initial aid reduction amount for a city is greater than the maximum aid reduction amount for the city, the city receives an additional distribution under this section equal to the result of subtracting the maximum aid reduction amount from the initial aid reduction amount. This distribution shall be paid in equal installments in 2004 on the dates specified in Minnesota Statutes, section 477A.015. The amount necessary for these additional distributions is appropriated to the commissioner of revenue from the general fund in fiscal year 2005.

The reduction is applied first to the city's distribution pursuant to Minnesota Statutes, section 477A.013, and then, if necessary, to the city's reimbursements pursuant to Minnesota Statutes, section 273.1384.

To the extent that sufficient information is available on each payment date in 2004, the commissioner of revenue shall pay the reimbursements reduced under this section in equal installments on the payment dates provided in law.

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

Sec. 7. [2004 COUNTY AID REDUCTIONS.]

The commissioner of revenue shall compute an aid reduction amount for 2004 for each county as provided in this section.

The commissioner of revenue shall compute an aid reduction amount for each county for 2004 equal to six percent of the county's levy plus aid revenue base for 2004.

The reduction amount is limited to 2.5 percent of the county's total revenues for 2004 if a county has a three-year levy plus aid revenue base increase average of less than two percent. For all other counties, the reduction amount is limited to three percent of the county's total revenues for 2004.

The reduction is further limited to the sum of the county's payable 2004 distributions under Minnesota Statutes, sections 477A.0124 and 273.1384.

The aid reduction is applied first to the county's distributions pursuant to Minnesota Statutes, section 477A.0124, and then, if necessary, to reduce the county's reimbursements pursuant to Minnesota Statutes, section 273.1384.

To the extent that sufficient information is available on each payment date in 2004, the commissioner of revenue shall pay any remaining 2004 distribution or reimbursement amount reduced under this section in equal installments on the payment dates provided in law.

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

Sec. 8. [2004 TOWNSHIP AID REDUCTIONS.]

The commissioner of revenue shall compute an aid reduction amount for each township for 2004 equal to three percent of the town's certified levy for taxes payable in 2003.

The reduction is limited to the amount of the town's payable 2004 reimbursement pursuant to Minnesota Statutes, section 273.1384.

To the extent that sufficient information is available on each successive payment date within the year, the commissioner of revenue shall pay any remaining 2004 reimbursement amount for the town in equal installments on the payment dates provided in law.

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

Sec. 9. [2004 SPECIAL TAXING DISTRICT AID REDUCTIONS.]

The commissioner of revenue shall compute an aid reduction amount for each special taxing district for 2004 equal to two percent of the district's certified levy for taxes payable in 2003.

The reduction is limited to the amount of the district's payable 2004 reimbursement pursuant to Minnesota Statutes, section 273.1384.

To the extent that sufficient information is available on each successive payment date within the year, the commissioner of revenue shall pay any remaining 2004 reimbursement amount for the district in equal installments on the payment dates provided in law.

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

ARTICLE 2

CITY AID

Section 1. Minnesota Statutes 2002, 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~~ 5.0734098 times the pre-1940 housing percentage; plus (2) ~~2.093826~~ times the ~~commercial industrial percentage~~ 0.04995 times the city's net tax capacity per capita; plus (3) ~~6.862552~~ 19.141678 times the population decline percentage; plus (4) ~~.00026~~ times the city population 2504.06334 times the road accidents factor; plus (5) ~~152.0141~~ 312.18215; minus (6) the metropolitan area factor; minus (7) ~~49.10638~~ times the household size.

(b) For a city with a population less than 2,500, "city revenue need" is the sum of (1) ~~1.795919~~ 2.387 times the pre-1940 housing percentage; plus (2) ~~1.562138~~ 2.67591 times the commercial industrial percentage; plus (3) ~~4.177568~~ 3.16042 times the population decline percentage; plus (4) ~~1.04013~~ 1.206 times the transformed population; minus (5) ~~107.475~~ 62.772.

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

(d) For calendar year 1998 and subsequent years, the city revenue need for a city, as determined in paragraphs (a) to (c), is multiplied by the ratio of the annual implicit price deflator for government consumption expenditures and gross investment for state and local governments 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.

[EFFECTIVE DATE.] This section is effective for aid payable in 2005 and thereafter.

Sec. 2. Minnesota Statutes 2002, section 477A.011, is amended by adding a subdivision to read:

Subd. 38. [HOUSEHOLD SIZE.] "Household size" means the average number of persons per household in the jurisdiction as most recently estimated and reported by the state demographer as of July 1 of the aid calculation year.

[EFFECTIVE DATE.] This section is effective for aid payable in 2005 and thereafter.

Sec. 3. Minnesota Statutes 2002, section 477A.011, is amended by adding a subdivision to read:

Subd. 39. [ROAD ACCIDENTS FACTOR.] "Road accidents factor" means the average annual number of vehicular accidents occurring on public roads, streets, and alleys in the jurisdiction as reported to the commissioner of revenue by the commissioner of public safety by July 1 of the aid calculation year using the most recent three-year period for which the commissioner of public safety has complete information, divided by the jurisdiction's population.

[EFFECTIVE DATE.] This section is effective for aid payable in 2005 and thereafter.

Sec. 4. Minnesota Statutes 2002, section 477A.011, is amended by adding a subdivision to read:

Subd. 40. [METROPOLITAN AREA FACTOR.] "Metropolitan area factor" means 35.20915 for cities located in the metropolitan area.

[EFFECTIVE DATE.] This section is effective for aid payable in 2005 and thereafter.

Sec. 5. Minnesota Statutes 2002, section 477A.013, subdivision 9, is amended to read:

Subd. 9. [CITY AID DISTRIBUTION.] (a) In calendar year ~~2002 and thereafter~~ 2004, 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.~~

(b) The percentage ~~increase~~ change for a first class city in calendar year ~~1995 and thereafter, except for 2002, 2004~~ shall not exceed the percentage ~~increase~~ change 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. ~~For aids payable in 2002 only, the amount of the aid paid to a first class city shall not exceed the sum of its aid amount for calendar year 2001 under this section and its aid payment in calendar year 2001 under section 273.1398, subdivision 2, by more than 2.5 percent.~~

~~(c) For aids payable in all years except 2002, The total aid in 2004 for any city, except a first class city, shall not exceed the sum of (1) ten percent of the city's net levy for the year prior to the aid distribution plus (2) its total aid in the previous year. For aids payable in 2002 only, the total aid for any city, except a first class city, shall not exceed the sum of (1) 40 percent of the city's net levy for taxes payable in the year prior to the aid distribution plus (2) 40 percent of its total aid in the previous year under section 273.1398, subdivision 2, plus (3) its total aid in the previous year under this section.~~

~~(d) In calendar year 2005 and thereafter, each city shall receive an aid distribution equal to the city formula aid under subdivision 8.~~

[EFFECTIVE DATE.] This section is effective for aid payable in 2004 and thereafter.

Sec. 6. Minnesota Statutes 2002, section 477A.03, subdivision 2, is amended to read:

Subd. 2. [ANNUAL APPROPRIATION.] (a) 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.

~~(b) Aid payments to counties under section 477A.0121 are limited to \$20,265,000 in 1996. Aid payments to counties under section 477A.0121 are limited to \$27,571,625 in 1997. For aid payable in 1998 and thereafter, the total aids paid under section 477A.0121 are the amounts certified to be paid in the previous year, adjusted for inflation as provided under subdivision 3.~~

~~(c)(i) For aids payable in 1998 and thereafter, the total aids paid to counties under section 477A.0122 are the amounts certified to be paid in the previous year, adjusted for inflation as provided under subdivision 3.~~

~~(ii) Aid payments to counties under section 477A.0122 in 2000 are further increased by an additional \$20,000,000 in 2000.~~

~~(d) Aid payments to cities in 2002 under section 477A.013, subdivision 9, are limited to the amounts certified to be paid in the previous year, adjusted for inflation as provided in subdivision 3, and increased by \$140,000,000. For aids payable in 2003, the total aids paid under section 477A.013, subdivision 9, are the amounts certified to be paid in the previous year, adjusted for inflation as provided under subdivision 3. For aids payable in 2004, the total aids paid under section 477A.013, subdivision 9, are the amounts certified to be paid in the previous year, adjusted for inflation as provided under subdivision 3, and increased by the amount certified to be paid in 2003 under section 477A.06. For aids payable in 2005 and thereafter, the total aids paid under section 477A.013, subdivision 9, are the amounts certified to be paid in the previous year, adjusted for inflation as provided under subdivision 3. The additional amount authorized under subdivision 4 is not included when calculating the appropriation limits under this paragraph limited to \$250,000,000. For aids payable in 2005 and thereafter, the total aids paid under section 477A.013, subdivision 9, are limited to \$352,000,000.~~

~~(e) Reimbursements made to counties under section 477A.0123 in calendar year 2005 and thereafter are limited to an amount equal to the maximum allowed appropriation under this section in the previous year, multiplied by a percent to be established by law. If no percent is established by law, the appropriation is limited to the total amount appropriated for this purpose in the previous year.~~

[EFFECTIVE DATE.] This section is effective for aid payable in 2004 and thereafter.

ARTICLE 3

COUNTY AID

Section 1. Minnesota Statutes 2002, section 273.1398, subdivision 4a, is amended to read:

Subd. 4a. [AID OFFSET FOR COURT COSTS.] (a) In calendar years 2004, 2005, and 2006, the commissioner of revenue shall pay the amounts determined in this subdivision to the eligible counties on the dates specified in subdivision 6. By July 15 of the year preceding the year in which

~~the state assumes the cost of court administration in the judicial district as specified under section 480.183, 2003, the supreme court shall determine and certify to the commissioner of revenue for each county the county's share of the costs to be assumed in the judicial districts specified under section 480.183, subdivision 1, during each of the succeeding fiscal year years.~~

(b) The amount certified in paragraph (a) shall be equal to the following:

(1) 103 percent of the required court administration expenditures as defined under section 480.183, subdivision 3, for calendar year 2003, as determined under subdivision 4b, paragraph (a); plus

(2) an adjustment for any cumulative percentage increase in salary expenditures as defined under section 480.183, subdivision 2, in excess of a maintenance of effort increase of six percent; less

(3) an amount equal to the county's share of transferred fines collected by the district courts in the county during the calendar year preceding certification.

The court and the county may, if both parties agree, negotiate and certify an amount higher than the amount calculated under this paragraph.

(c) For purposes of this subdivision, the adjustment in paragraph (b), clause (2), shall be equal to:

(1) the sum of the court administration expenditures as defined under section 480.183, subdivision 3, required under subdivision 4b, paragraph (a), plus the temporary aid payment under subdivision 4c; multiplied by

(2) the difference between (i) the cumulative percentage increase in actual and anticipated salary settlements for court employees from July 1, 2001, until the date of the court transfer and (ii) the percentage specified in subdivision 4b, paragraph (a).

(d) ~~Payments to a county under this subdivision 2 or section 273.166 for the calendar year in which the state assumes the cost of court administration as defined under section 480.183, subdivision 3, in the judicial district must be permanently reduced by an amount equal to 75 percent of the net cost to the state for assumption of district court costs as certified in paragraph (a).~~

(e) ~~Payments to a county under this subdivision 2 or section 273.166 for the calendar year after the calendar year in which the state assumes the cost of court administration as defined under section 480.183, subdivision 3, in the judicial district must be permanently reduced by an amount equal to 25 percent of the net cost to the state for assumption of district court costs as certified in paragraph (a), provided that this amount must be increased or decreased by an amount equal to the positive or negative difference between the amount of fee and fine revenue certified under paragraph (b), clause (3), and the actual amount of fee and fine revenue of the county for the calendar year when certification takes place.~~

(f) ~~Payments to a county under subdivision 2 for calendar year 2001 are permanently increased by an amount equal to 7.5 percent of the county's share of transferred fines collected by the district courts in the county during calendar year 1998, as determined under paragraph (a). If the amount determined in paragraph (a) exceeds the amount of aid a county is scheduled to be paid under subdivision 2 in 2000, then the county shall not receive an aid increase under this paragraph.~~

(g) ~~Payments to a county under subdivision 2 or section 273.166, for the cost of mandated services, as defined in section 480.183, subdivision 4, in the judicial district, must be permanently reduced in 2002 by an amount equal to the cost to the state for assumption of mandated court services as defined in section 480.183, subdivision 4. The supreme court shall determine the amount for each county and certify it to the commissioner of revenue by July 15, 2001.~~

[EFFECTIVE DATE.] This section is effective for aid payable in 2004, 2005, and 2006.

Sec. 2. Minnesota Statutes 2002, section 273.1398, subdivision 4c, is amended to read:

Subd. 4c. [TEMPORARY AID; COURT ADMINISTRATION COSTS.] For calendar years 2004 and 2005, each county in a judicial district that has not been transferred to the state by January 1 of that year shall receive ~~additional homestead and agricultural credit~~ temporary court administration cost aid. This amount is in addition to the amount calculated under subdivision 2 and must not be included in the definition of homestead and agricultural credit base under subdivision 1, paragraph (j). The amount of ~~additional aid~~ is equal to the difference between (1) the amount budgeted for court administration costs in 2001 as determined under subdivision 4b, paragraph (b), multiplied by the maintenance of effort percent for the calendar year as determined under subdivision 4b, paragraph (a), and (2) the amount calculated under subdivision 4b, paragraph (a), for calendar year 2003. This additional aid must be used only to fund court administration expenditures as defined in section 480.183, subdivision 3. This amount must be added to the state court's base budget in the year when the court in that judicial district in which the county is located is transferred to the state.

[EFFECTIVE DATE.] This section is effective for aid payable in 2004 and 2005.

Sec. 3. Minnesota Statutes 2002, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2, 2b, 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, 3, 4a, 4c,~~ and 5 must be paid to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions, except that the first one-half payment of disparity reduction aid provided in subdivision 3 must be paid on or before August 31. The disparity reduction credit provided in subdivision 4 must be paid to taxing jurisdictions other than school districts at the time provided in section 473H.10, subdivision 3. Aids and credit reimbursements to school districts must be certified to the commissioner of children, families, and learning and paid under section 273.1392. In 2004, the aid provided in subdivision 2 shall constitute a portion of program aid for counties and shall be paid as provided in section 477A.0124. Payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax.

[EFFECTIVE DATE.] This section is effective for aid payable in 2004 and thereafter.

Sec. 4. Minnesota Statutes 2002, 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. The total appropriation for the aid provided in subdivision 4a is limited to \$15,700,000 for fiscal year 2005 and \$3,300,000 for fiscal year 2006. The total appropriation for the aid provided in subdivision 4c is limited to \$2,800,000 for fiscal year 2005 and \$3,200,000 for fiscal year 2006.

(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 \$100,000 in fiscal years 1998 and 1999 and \$200,000 in fiscal year 2000 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. The amount deducted under this paragraph is appropriated to the commissioner of finance for the preparation of local impact notes.

[EFFECTIVE DATE.] This section is effective for aid payable in 2004 and thereafter.

Sec. 5. [477A.0124] [COUNTY AID.]

Subdivision 1. [CALENDAR YEAR 2004.] In 2004, each county shall receive program aid in an amount equal to the sum of:

(1) the amount of county attached machinery aid computed for the county for payment in 2003 under section 273.138 prior to any reduction under laws enacted in 2003;

(2) the amount of county homestead and agricultural credit aid computed for the county for payment in 2003 under section 273.1398, subdivision 2, prior to any reduction under laws enacted in 2003, plus a fiscal disparity adjustment under section 273.1398, subdivision 1, for aid payable in 2004, minus the aid to be paid to the county in 2004 under section 273.1398, subdivisions 4a and 4c;

(3) the amount of county manufactured home homestead and agricultural credit aid computed for the county for payment in 2003 under section 273.166 prior to any reduction under laws enacted in 2003;

(4) the amount of county criminal justice aid computed for the county for payment in 2003 under section 477A.0121 prior to any reduction under laws enacted in 2003; and

(5) the amount of county family preservation aid computed for the county for payment in 2003 under section 477A.0122 prior to any reduction under laws enacted in 2003.

Subd. 2. [CALENDAR YEAR 2005 AND THEREAFTER.] (a) [COUNTY AGE-ADJUSTED AID.] In 2005 and each year thereafter, each county shall receive age-adjusted per capita aid. The commissioner of revenue shall determine a percentage for each county equal to the percentage of the county's population that is over the age of 65. That percentage must be divided by the percentage of the state's population that is over the age of 65. The result is an index for each county. No county index shall be greater than 1.8 nor less than 0.80. The commissioner shall multiply each county's index by each county's population. The county's aid amount is that proportion of the amount appropriated for payment in the year that the county's index times its population is of the statewide total of the county indexes times the county populations. All computations must be based on age and population data provided by the state demographer as of July 1 in the aid computation year.

(b) [COUNTY HOUSEHOLD SUPPORT AID.] In 2005 and each year thereafter, each county shall receive household support aid as computed by the commissioner of revenue. Each county's aid amount is that proportion of the amount appropriated for payment in the year that the average number of households in the county receiving food stamps is of the average number of households in the state receiving food stamps. All averages must be an annual average based on the three most recent years of data certified to the commissioner of revenue by the commissioner of human services on or before July 1 of the aid computation year.

(c) [COUNTY CORRECTIONS AID.] In 2005 and each year thereafter, each county shall receive corrections aid as computed by the commissioner of revenue. Each county's aid amount is that proportion of the amount appropriated for payment in the year that the number of Part 1 crimes in the county is of the total number of Part 1 crimes in the state. The number of Part 1 crimes in each county and in the state must be annual averages based on the three most recent years of data certified to the commissioner of revenue by the commissioner of public safety on or before July 1 of the aid computation year.

(d) [COUNTY TAX BASE EQUALIZATION AID.] In 2005 and each year thereafter, each county shall receive tax base equalization aid as computed by the commissioner of revenue. The commissioner shall multiply a uniform statewide rate times each county's adjusted net tax capacity. That amount must be subtracted from the product of \$185 times the county's population to arrive at each county's tax base equalization aid formula amount. Counties with a population over 500,000 receive 30 percent of the formula amount. Counties with a population under 10,000 receive three times the formula amount. All other counties receive the formula amount. The

commissioner shall compute the uniform rate to no more than four significant digits so that each county receives at least \$250 in tax base equalization aid each year. The necessary population data is that provided to the commissioner by the state demographer as of July 1 in the aid computation year.

Subd. 3. [PAYMENT.] The amount of county program aid payable to a county in a calendar year shall be paid by the commissioner of revenue in equal installments on the dates specified in section 477A.015.

Subd. 4. [APPROPRIATIONS.] (a) In fiscal year 2005, the amount necessary to make the payments provided for in subdivision 1 is appropriated from the general fund to the commissioner of revenue. In fiscal year 2005 and thereafter, \$40,000,000 is annually appropriated from the general fund to the commissioner of revenue to make the age-adjusted per capita county aid payments provided in subdivision 2, paragraph (a). In fiscal year 2005 and thereafter, \$40,000,000 is annually appropriated from the general fund to the commissioner of revenue to make the household support aid payments provided in subdivision 2, paragraph (b). In fiscal year 2005 and thereafter, \$20,000,000 is annually appropriated from the general fund to the commissioner of revenue to make the correction aid payments provided in subdivision 2, paragraph (c). In fiscal year 2005 and thereafter, \$105,000,000 is annually appropriated from the general fund to the commissioner of revenue to make the tax base equalization aid payments provided in subdivision 2, paragraph (d).

(b) Each calendar year, \$500,000 of the total appropriation for this section shall be retained by the commissioner of revenue to make reimbursements to the commissioner of finance for payments made under section 611.27. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county program aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

Subd. 5. [NOTICE TO COUNTY.] The commissioner of revenue shall notify each county of its aid under this section by September 1 of the year preceding the aid distribution year.

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

ARTICLE 4

LEVY LIMITS

Section 1. Minnesota Statutes 2002, section 275.065, is amended by adding a subdivision to read:

Subd. 9. [REVERSE REFERENDUM.] The reverse referendum procedure in this subdivision applies only in the case of a county, or a city that has a population of more than 2,500, that has adopted a property tax levy increase over the levy amount certified under section 275.07, subdivision 1, for the previous year.

If, within 21 days after the public hearing and adoption of a levy under subdivision 6, a petition signed by voters equal in number to five percent of the votes cast in the county or city in the last general election requesting a referendum on the levy increase is filed with the county auditor or the city clerk, the levy increase shall not be effective until it has been submitted to the voters at a special election to be held on the fourth Tuesday in January, and a majority of votes cast on the question of approving the levy increase are in the affirmative. The commissioner of revenue shall prepare the form of the question to be presented at the referendum, which shall reference only the amount of the property tax levy increase over the previous year.

The county or city shall notify the county auditor of the results of the referendum. If the majority of the votes cast on the question are in the affirmative, the levy adopted under subdivision 6 shall be certified to the county auditor under section 275.07, subdivision 1. If the majority of the votes cast on the question are in the negative, an amount equal to the preceding year's levy shall be certified to the county auditor for purposes of section 275.07, subdivision 1;

provided that if the current year adopted levy includes any levy for the payment of bonded indebtedness or judgments, such levies for bonded indebtedness and judgments shall be extended in full and the remainder of the levies shall be reduced so that the total, including levies for bonds and judgments, does not exceed the preceding year's levy.

[EFFECTIVE DATE.] This section is effective for taxes levied in 2004 and thereafter, for taxes payable in 2005 and thereafter.

Sec. 2. Minnesota Statutes 2002, section 275.07, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION OF LEVY.] (a) Except as provided under paragraph (b) or (c), the taxes voted by cities, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before five working days after December 20 in each year. A town must certify the levy adopted by the town board to the county auditor by September 15 each year. If the town board modifies the levy at a special town meeting after September 15, the town board must recertify its levy to the county auditor on or before five working days after December 20. The taxes certified shall not be reduced by the county auditor by the aid received under section 273.1398, subdivision 2, but shall be reduced by the county auditor by the aid received under section 273.1398, subdivision 3. If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

(b)(i) The taxes voted by counties under sections 103B.241, 103B.245, and 103B.251 shall be separately certified by the county to the county auditor on or before five working days after December 20 in each year. The taxes certified shall not be reduced by the county auditor by the aid received under section 273.1398, subdivisions 2 and 3. If a county fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

(ii) For purposes of the proposed property tax notice under section 275.065 and the property tax statement under section 276.04, for the first year in which the county implements the provisions of this paragraph, the county auditor shall reduce the county's levy for the preceding year to reflect any amount levied for water management purposes under clause (i) included in the county's levy.

(c) A county or city to which the reverse referendum provisions under section 275.065, subdivision 9, apply, shall certify the taxes to the county auditor by January 5, except that any county or city for which a petition has been filed under section 275.065, subdivision 9, must certify the day immediately following the election under that subdivision.

[EFFECTIVE DATE.] This section is effective for taxes levied in 2004 and thereafter, for taxes payable in 2005 and thereafter.

Sec. 3. Minnesota Statutes 2002, section 275.70, subdivision 3, is amended to read:

Subd. 3. [LOCAL GOVERNMENTAL UNIT.] "Local governmental unit" means a county, or a statutory or home rule charter city ~~with a population greater than 2,500.~~

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 4. Minnesota Statutes 2002, section 275.70, subdivision 5, is amended to read:

Subd. 5. [SPECIAL LEVIES.] "Special levies" means those portions of ad valorem taxes levied by a local governmental unit for the following purposes or in the following manner:

(1) to pay the costs of the principal and interest on existing bonded indebtedness ~~or~~; for this purpose, "existing bonded indebtedness" means:

(i) an item of bonded indebtedness for which a special levy under this clause was claimed for taxes levied in 2002 in the case of a county or city that was subject to section 275.71 for taxes levied in 2002, including refinancing bonds for that item;

(ii) an item of bonded indebtedness for which a special levy could have been claimed for taxes

levied in 2002 under this clause, including refinancing bonds, in the case of a city that was not subject to section 275.71 for taxes levied in 2002;

(iii) an item of bonded indebtedness, including refinancing bonds for that item, if the city or county has, prior to May 1, 2003, either issued the associated bonds, approved the capital improvement program or street reconstruction program under which the borrowed funds are being spent or entered into a binding contract or agreement requiring the expenditure of some or all of the borrowed funds; and

(iv) an item of bonded indebtedness, including refinancing bonds for that item, the issuance of which was approved by the voters of the city or county prior to May 1, 2003;

(2) to reimburse for the amount of liquor store revenues used to pay the principal and interest due on municipal liquor store bonds in the year preceding the year for which the levy limit is calculated;

(2) (3) to pay the costs of principal and interest on certificates of indebtedness issued for any corporate purpose except for the following:

(i) tax anticipation or aid anticipation certificates of indebtedness;

(ii) certificates of indebtedness issued under sections 298.28 and 298.282;

(iii) certificates of indebtedness used to fund current expenses or to pay the costs of extraordinary expenditures that result from a public emergency; or

(iv) certificates of indebtedness used to fund an insufficiency in tax receipts or an insufficiency in other revenue sources;

(3) (4) to provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota if (i) the amount would have qualified as a special levy for taxes levied in 2002, the payment is required under a written agreement executed before May 1, 2003, (ii) the city, county, or other political subdivision has, prior to May 1, 2003, entered into a binding contract or agreement requiring the expenditure of some or all of the borrowed funds, or the bonds, except for refinancing bonds, were issued before May 1, 2003, or are issued to refund bonds issued before May 1, 2003;

(4) (5) to fund payments made to the Minnesota state armory building commission under section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(5) (6) property taxes approved by voters which are levied against the referendum market value as provided under section 275.61;

(6) (7) to fund matching requirements needed to qualify for federal or state grants or programs to the extent that either (i) the matching requirement exceeds the matching requirement in calendar year 2001, or (ii) it is a new matching requirement that did not exist prior to 2002;

(7) (8) to pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes, in accordance with standards formulated by the emergency services division of the state department of public safety, as allowed by the commissioner of revenue under section 275.74, subdivision 2;

(8) (9) pay amounts required to correct an error in the levy certified to the county auditor by a city or county in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.70 to 275.74 in the preceding levy year;

(9) (10) to pay an abatement under section 469.1815 for which the granting resolution was adopted prior to May 1, 2003;

(10) (11) to pay any costs attributable to increases in the employer contribution rates under chapter 353 that are effective after June 30, 2001;

~~(11)~~ (12) to pay the operating or maintenance costs of a county jail as authorized in section 641.01 or ~~641.262~~, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (5), to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the department of corrections, or to pay the operating or maintenance costs of a regional jail as authorized in section 641.262. For purposes of this clause, a district court order is not a rule, minimum requirement, minimum standard, or directive of the department of corrections. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71, shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination. The amount of this special levy is limited to 110 percent of the amount levied by the county for these purposes in the prior year;

~~(12)~~ (13) to pay for operation of a lake improvement district, as authorized under section 103B.555. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71 shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination. The amount of this special levy is limited to 110 percent of the amount levied by the county for these purposes in the prior year;

~~(13)~~ (14) to repay a state or federal loan used to fund the direct or indirect required spending by the local government due to a state or federal transportation project or other state or federal capital project. This authority may only be used if the project is not a local government initiative;

~~(14) for counties only, to pay the costs reasonably expected to be incurred in 2002 related to the redistricting of election districts and establishment of election precincts under sections 204B.135 and 204B.14, the notice required by section 204B.14, subdivision 4, and the reassignment of voters in the statewide registration system, not to exceed \$1 per capita, provided that the county shall distribute a portion of the amount levied under this clause equal to 25 cents times the population of the city to all cities in the county with a population of 30,000 or more;~~

~~(15) to pay for court administration costs as required under section 273.1398, subdivision 4b, less the county's share of transferred fines and fees collected by the district courts in the county for calendar year 2001 aid amount certified to be paid to the county in 2004 under section 273.1398, subdivisions 4a and 4c; however, for taxes levied to pay for these costs in the year in which the court financing is transferred to the state, the amount under this section clause is limited to one-third of the aid reduction under section 273.1398, subdivision 4a; and~~

~~(16) to fund a police or firefighters relief association as required under section 69.77 to the extent that the required amount exceeds the amount levied for this purpose in 2001.~~

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 5. Minnesota Statutes 2002, section 275.71, is amended by adding a subdivision to read:

Subd. 1a. [EXCEPTION FOR CERTAIN CITIES.] If a city will receive no local government aid under section 477A.013, or notifies the commissioner of revenue by October 1 of the year before the aid would be paid that it will not accept the aid payable to it under that provision, it is exempt from sections 275.70 to 275.74 for the taxes payable in the year when the aid was not received.

Sec. 6. Minnesota Statutes 2002, section 275.71, subdivision 2, is amended to read:

Subd. 2. [LEVY LIMIT BASE.] (a) The levy limit base for a local governmental unit for taxes levied in 2001 2003 is equal to the greater of:

~~(1) the sum of its adjusted levy limit base for taxes levied in 1999 plus the amount it levied in~~

~~1999 under Minnesota Statutes 1999 Supplement, section 275.70, subdivision 5, clauses (8) and (13), multiplied by:~~

~~(i) one plus the percentage growth in the implicit price deflator for the 12-month period ending March 30, 2000;~~

~~(ii) one plus a percentage equal to the annual percentage increase in the estimated number of households, if any, for the most recent 12-month period that was available on July 1, 2000; and~~

~~(iii) one plus a percentage equal to 50 percent of the percentage increase in the taxable market value of the jurisdiction due to new construction of class 3 property, as defined in section 273.13, subdivision 24, except for state-assessed utility and railroad operating property, for the most recent year for which data was available as of July 1, 2000; or~~

~~(2) an amount equal to:~~

~~(i) (1) the sum of the amount it levied in 2000 2002 plus the amount of aids it was certified to receive in calendar year 2001 2003 under sections 273.1398, 273.166, 298.282, 477A.011 to 477A.03, prior to any aid reductions under section 273.1399, subdivision 5, 477A.06, and 477A.065, and 477A.07, prior to any aid reductions enacted into law in 2003; less~~

~~(ii) (2) the amount it levied in 2000 2002 that would qualify have qualified as special levies under Minnesota Statutes 2002, section 275.70, subdivision 6, for taxes levied in 2001 2002. The local governmental unit shall provide the commissioner of revenue with sufficient information to make this calculation.~~

~~(b) If the governmental unit was not subject to levy limits for taxes levied in 1999, its levy limit base for taxes levied in 2001 is equal to the amount calculated under paragraph (a), clause (2).~~

~~(e) The levy limit base for a local governmental unit for taxes levied in 2002 is equal to its adjusted levy limit base in the previous year, plus the amount of tree growth tax it received in calendar year 2001 under sections 270.31 to 270.39, and plus, in the case of a city, the amount it was certified to receive in calendar year 2001 under section 273.166, is subject to any adjustments under section 275.72.~~

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 7. Minnesota Statutes 2002, section 275.71, subdivision 4, is amended to read:

Subd. 4. [ADJUSTED LEVY LIMIT BASE.] (a) For taxes levied in ~~2001 and 2002~~ 2003, the adjusted levy limit base is equal to:

(1) the levy limit base computed under subdivisions 2 and 3 or section 275.72; minus

(2) the total reduction for the local unit determined under articles 2, 3, and 4 of this act for the distribution or aid amount payable in 2004 pursuant to sections 477A.013 and 477A.0124; multiplied by:

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

(2) (ii) one plus a percentage equal to the percentage increase in number of households, if any, for the most recent 12-month period for which data is available; and

(3) (iii) one plus a percentage equal to 50 percent of the percentage increase in the taxable market value of the jurisdiction due to new construction of class 3 property, as defined in section 273.13, subdivision 24, except for state-assessed utility and railroad operating property, for the most recent year for which data is available.

(b) For counties only, for taxes levied in ~~2001 and 2002~~ 2003, the adjusted levy limit base is also reduced by any amount of levy reduction required under section 275.07, subdivision 1, paragraph (b), clause (ii).

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 8. Minnesota Statutes 2002, section 275.71, subdivision 5, is amended to read:

Subd. 5. [PROPERTY TAX LEVY LIMIT.] ~~Notwithstanding any other provision of a municipal charter which limits ad valorem taxes to a lesser amount, or which would require a separate voter approval for any increase, For taxes levied in 2001 and 2002~~ 2003, the property tax levy limit for a local governmental unit is equal to its adjusted levy limit base determined under subdivision 4 plus any additional levy authorized under section 275.73, which is levied against net tax capacity, reduced by the sum of (i) the total amount of aids and reimbursements that the local governmental unit is certified to receive in 2004 under sections 477A.011 to 477A.014, ~~except for the increases in city aid bases in calendar year 2002 under section 477A.011, subdivision 36, paragraphs (n), (p), and (q), (ii) homestead and agricultural aids it is certified to receive under section 273.1398, (iii) plus any taconite aids under sections 298.28 and 298.282 including any aid which was required to be placed in a special fund for expenditure in the next succeeding year, (iv) low-income housing aid under sections 477A.06 and 477A.065, and (v) property tax replacement aids under section 174.242.~~

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 9. Minnesota Statutes 2002, section 275.71, subdivision 6, is amended to read:

Subd. 6. [LEVIES IN EXCESS OF LEVY LIMITS.] ~~(a)~~ If the levy made by a city or county exceeds the levy limit provided in sections 275.70 to 275.74, except when the excess levy is due to the rounding of the rate in accordance with section 275.28, the county auditor shall only extend the amount of taxes permitted under sections 275.70 to 275.74, as provided for in section 275.16.

~~(b) For taxes levied in 2002, payable in 2003 only, if an error was made in calculating the levy limit adjustment related to a special levy for jails authorized under section 275.70, subdivision 5, clause (11), in the previous year, the following adjustments must be made:~~

~~(1) the county's levy limit base for taxes levied in 2002 must be based on the corrected adjusted levy limit base for taxes levied in 2001; and~~

~~(2) the county's final levy limit for taxes levied in 2002, payable in 2003, must also be temporarily reduced by an amount equal to the amount of county levy spread in the previous year in excess of the total recalculated levy limit plus authorized special levies for taxes levied in 2001, payable in 2002.~~

~~(c) The commissioner of revenue shall inform counties affected by paragraph (b) of the levy error and levy adjustments required under this provision by June 15, 2002. The county may provide additional information to the commissioner indicating why these adjustments may be in error by July 15, 2002. The commissioner shall certify the final levy adjustment to the affected counties by August 1, 2002. The levy reduction imposed under paragraph (b), clause (2), may be spread over a period not to exceed three years, upon agreement between the county and the commissioner.~~

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 10. Minnesota Statutes 2002, section 275.73, subdivision 2, is amended to read:

Subd. 2. [LEVY EFFECTIVE DATE.] An additional levy approved under subdivision 1 at a general or special election held ~~prior to September 1~~ on or before the first Tuesday in November in any levy year may be levied in that same levy year and subsequent levy years. An additional levy approved under subdivision 1 at a general or special election held ~~after August 31~~ the first Tuesday in November in any levy year shall not be levied in that same levy but may be levied in subsequent levy years.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 11. Minnesota Statutes 2002, section 275.74, subdivision 2, is amended to read:

Subd. 2. [AUTHORIZATION FOR SPECIAL LEVIES.] A local governmental unit may request authorization to levy for unreimbursed costs for natural disasters under section 275.70, subdivision 5, clause ~~(7)~~ (8). The local governmental unit shall submit a request to levy under section 275.70, subdivision 5, clause ~~(7)~~ (8), to the commissioner of revenue by September 30 of the levy year and the request must include information documenting the estimated unreimbursed costs. The commissioner of revenue may grant levy authority, up to the amount requested based on the documentation submitted. All decisions of the commissioner are final.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 12. Minnesota Statutes 2002, section 275.74, subdivision 3, is amended to read:

Subd. 3. [INFORMATION NECESSARY TO CALCULATE ~~THE 2004~~ LEVY LIMIT BASE.] A local governmental unit must provide the commissioner with the information required to calculate the ~~alternative 2004~~ levy limit base amount under section 275.71, subdivision 2, paragraph (a), clause (2), by July 20, ~~2004~~ of the levy year. If the information is not received by the commissioner by that date, or is not deemed sufficient to make the calculation under that clause, the commissioner has the discretion to set the local governmental unit's ~~2004~~ levy limit for all purposes including those purposes for which special levies may be made, base equal to the amount of the local unit's certified levy for the prior year minus the amount calculated under section 275.71, subdivision ~~2~~ 4, paragraph (a), clause ~~(1)~~ (2).

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

ARTICLE 5

LOCAL GOVERNMENT AIDS AND LEVIES REPEALERS

Section 1. [REPEALER.]

Minnesota Statutes 2002, sections 477A.0121, subdivision 1; and 477A.0122, subdivision 1, are repealed.

[EFFECTIVE DATE.] This section is effective for aid payable in 2003 and thereafter.

Sec. 2. [REPEALER.]

Minnesota Statutes 2002, sections 273.138; 273.1398, subdivision 2; 273.166; 477A.011, subdivisions 36 and 37; 477A.0121, subdivisions 2, 3, 4, 5, and 6; 477A.0122, subdivisions 2, 3, 4, 5, and 6; 477A.0123; 477A.03, subdivisions 3 and 4; 477A.06; 477A.065; and 477A.07, are repealed.

[EFFECTIVE DATE.] This section is effective for aid payable in 2004 and thereafter.

Sec. 3. [REPEALER.]

Minnesota Statutes 2002, section 275.71, subdivision 5, is repealed.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2005 and thereafter.

ARTICLE 6

FUNDS AND ACCOUNTS

Section 1. Minnesota Statutes 2002, section 16A.152, subdivision 1, is amended to read:

Subdivision 1. [CASH FLOW ACCOUNT ESTABLISHED.] (a) A cash flow account is created in the general fund in the state treasury. ~~Beginning July 1, 2003, the commissioner of finance shall restrict part or all of the balance before reserves in the general fund as may be necessary to fund the cash flow account, up to \$350,000,000.~~

~~(b) The Amounts restricted are transferred to in~~ the cash flow account and shall remain in the account until drawn down and used to meet cash flow deficiencies resulting from uneven distribution of revenue collections and required expenditures during a fiscal year.

Sec. 2. Minnesota Statutes 2002, section 16A.152, subdivision 1b, is amended to read:

Subd. 1b. [BUDGET RESERVE INCREASE.] On ~~June 30~~ July 1, 2003, the commissioner of finance shall transfer ~~\$3,900,000~~ \$300,000,000 to the budget reserve account in the general fund. On ~~June 30~~ July 1, 2004, the commissioner of finance shall transfer ~~\$12,300,000~~ \$200,000,000 to the budget reserve account in the general fund. ~~On June 30, 2005, the commissioner of finance shall transfer \$12,000,000 to the budget reserve account in the general fund.~~ The amounts necessary for this purpose are appropriated from the general fund.

Sec. 3. Minnesota Statutes 2002, section 16A.152, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL REVENUES; PRIORITY.] If on the basis of a forecast of general fund revenues and expenditures, the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to ~~the budget reserve until the total amount in the account equals \$653,000,000~~ the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000; and

(2) the budget reserve account established in subdivision 1a until that account reaches five percent of the forecasted expenditures in the odd-numbered fiscal year of the most recently enacted biennial budget.

The amounts necessary to meet the requirements of this section are appropriated from the general fund ~~within two weeks after the forecast is released.~~

Sec. 4. Minnesota Statutes 2002, section 16A.152, subdivision 7, is amended to read:

Subd. 7. [DELAY; REDUCTION.] The commissioner may delay paying up to 15 percent of an appropriation to a statutory or home rule charter city, county, special taxing district, or a system of higher education in that entity's fiscal year for up to 60 days after the start of its next fiscal year. The delayed amount is subject to allotment reduction under subdivision 4.

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

Sec. 5. Minnesota Statutes 2002, section 62J.694, subdivision 4, is amended to read:

Subd. 4. [SUNSET.] The medical education endowment fund expires ~~June 30, 2015~~ July 1, 2003. Upon expiration, the commissioner of finance shall transfer the principal and any remaining interest to the general fund.

Sec. 6. Minnesota Statutes 2002, section 144.395, subdivision 3, is amended to read:

Subd. 3. [SUNSET.] The tobacco use prevention and local public health endowment fund expires ~~June 30, 2015~~ July 1, 2003. Upon expiration, the commissioner of finance shall transfer the principal and any remaining interest to the general fund.

Sec. 7. Minnesota Statutes 2002, section 275.025, subdivision 1, is amended to read:

Subdivision 1. [LEVY AMOUNT.] The state general levy is levied against commercial-industrial property and seasonal recreational property, as defined in this section. The state general levy is \$592,000,000 for taxes payable in 2002. For taxes payable in subsequent years, the levy is increased each year by multiplying the amount for the prior year by the sum of one plus the rate of increase, if any, in the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysts of the United States Department of Commerce for the 12-month period ending March 31 of the year prior to the year the taxes are payable. The tax under this section is not treated as a local tax rate under section 469.177 and is not the levy of a governmental unit under chapters 276A and 473F. ~~Beginning in fiscal year 2004, and in each year thereafter, the commissioner of finance shall deposit in an education reserve account, which account is hereby~~

~~established, the increased amount of the state general levy received for deposit in the general fund for that year over the amount of the state general levy received for deposit in the general fund in fiscal year 2003. The amounts in the education reserve account do not lapse or cancel each year, but remain until appropriated by law for education aid or higher education funding.~~

The commissioner shall increase or decrease the preliminary or final rate for a year as necessary to account for errors and tax base changes that affected a preliminary or final rate for either of the two preceding years. Adjustments are allowed to the extent that the necessary information is available to the commissioner at the time the rates for a year must be certified, and for the following reasons:

(1) an erroneous report of taxable value by a local official;

(2) an erroneous calculation by the commissioner; and

(3) an increase or decrease in taxable value for commercial-industrial or seasonal residential recreational property reported on the abstracts of tax lists submitted under section 275.29 that was not reported on the abstracts of assessment submitted under section 270.11, subdivision 2, for the same year.

The commissioner may, but need not, make adjustments if the total difference in the tax levied for the year would be less than \$100,000.

[EFFECTIVE DATE.] This section is effective June 30, 2003.

Sec. 8. Laws 2002, chapter 377, article 12, section 17, is amended to read:

Sec. 17. [APPROPRIATION.]

(a) \$585,000 in fiscal year 2002 and \$7,015,000 in fiscal year 2003 are appropriated to the commissioner of revenue from the general fund for tax compliance activities, including identification and collection of tax liabilities from individuals and businesses that currently do not pay all taxes owed, and audit and collection activity in the income tax, sales tax, lawful gambling, insurance, and corporate areas. The base funding for these activities in fiscal years 2004 and 2005 is increased by \$4,750,000 each year.

(b) The commissioner must include these tax compliance activities in the report required by Laws 2001, First Special Session chapter 10, article 1, section 16, subdivision 2, paragraph (c).

(c) Laws 2002, chapter 220, article 10, section 38, does not apply to the positions necessary to carry out the compliance activities identified in this section.

(d) If the legislative auditor determines that:

~~(1) actual revenue collections generated from tax compliance activities funded by Laws 2001, First Special Session chapter 10, article 1, section 16, subdivision 2, paragraphs (a) and (b), will not generate at least \$52,000,000 in additional general fund revenue for the biennium ending June 30, 2003; or~~

~~(2) actual revenue collections generated from new tax compliance activities funded by the appropriation in this section will not generate at least \$7,600,000 in additional general fund revenue for the biennium ending June 30, 2003;~~

~~then the commissioner of finance must cancel from the budget reserve account to the general fund the difference between the \$52,000,000 or the \$7,600,000 and the actual additional general fund revenue. The legislative auditor's determination under this paragraph must be made in the February 1, 2003, report to the legislature required by Laws 2001, First Special Session chapter 10, article 1, section 16.~~

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

MISCELLANEOUS

Section 1. Minnesota Statutes 2002, section 10A.31, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION.] An individual resident of this state who files an income tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate on their original return that ~~\$5 be paid from the general fund of the state~~ \$1 to \$25, or \$1 to \$50 if the return is filed jointly, be added to the tax or deducted from the refund that would otherwise be payable by or to the individual and paid into the state elections campaign fund. If a husband and wife file a joint return, each spouse may designate that \$5 be paid. No individual is allowed to designate \$5 more than once in any year. The taxpayer may designate that the amount be paid into the account of a political party or into the general account. Designations made under this section are not eligible for refund under section 290.06, subdivision 23.

[EFFECTIVE DATE.] This section is effective beginning with designations made on income tax returns filed for tax years beginning after December 31, 2002, and on property tax refund returns based on property taxes payable in 2004 or rent constituting property taxes paid in 2003.

Sec. 2. Minnesota Statutes 2002, section 10A.31, subdivision 3, is amended to read:

Subd. 3. [FORM.] The commissioner of revenue must provide on ~~the first page of the income tax form and the renter and homeowner property tax refund return~~ a space for the individual to indicate a wish to pay ~~\$5 \$1 to \$25 (\$10 \$50 if filing a joint return) from the general fund of the state to finance election campaigns.~~ The form must also contain language prepared by the commissioner that permits the individual to direct the state to pay the ~~\$5 (or \$10 if filing a joint return)~~ designation to: (1) one of the major political parties; (2) any minor political party that qualifies under subdivision 3a; or (3) all qualifying candidates as provided by subdivision 7. ~~The renter and homeowner property tax refund return must include instructions that the individual filing the return may designate \$5 on the return only if the individual has not designated \$5 on the income tax return.~~

[EFFECTIVE DATE.] This section is effective beginning with designations made on income tax returns filed for tax years beginning after December 31, 2002, and on property tax refund returns based on property taxes payable in 2004 or rent constituting property taxes paid in 2003.

Sec. 3. Minnesota Statutes 2002, section 10A.31, subdivision 4, is amended to read:

Subd. 4. [APPROPRIATION.] (a) The amounts designated by individuals for the state elections campaign fund, less three percent, ~~are appropriated from the general fund,~~ must be transferred and credited to the appropriate account in the state elections campaign fund, ~~and are annually appropriated~~ for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), \$1,500,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

[EFFECTIVE DATE.] This section is effective beginning with designations made on income tax returns filed for tax years beginning after December 31, 2002, and on property tax refund returns based on property taxes payable in 2004 or rent constituting property taxes paid in 2003.

Sec. 4. Minnesota Statutes 2002, section 16D.08, subdivision 2, is amended to read:

Subd. 2. [POWERS.] (a) In addition to the collection remedies available to private collection agencies in this state, the commissioner, with legal assistance from the attorney general, may utilize any statutory authority granted to a referring agency for purposes of collecting debt owed to that referring agency. The commissioner may also ~~delegate to the enterprise use the tax collection remedies in sections 270.06, clauses (7) and (17), excluding the power to subpoena witnesses; 270.66; 270.67, subdivisions 2 and 4, 270.69, excluding subdivisions 7 and 13; 270.70, excluding subdivision 14; 270.7001 to 270.72; and 290.92, subdivision 23, except that a continuous wage levy under section 290.92, subdivision 23, is only effective for 70 days, unless no competing wage~~

~~garnishments, executions, or levies are served within the 70-day period, in which case a wage levy is continuous until a competing garnishment, execution, or levy is served in the second or a succeeding 70-day period, in which case a continuous wage levy is effective for the remainder of that period. A debtor may take advantage of any administrative or appeal rights contained in the listed sections. For administrative and appeal rights for nontax debts, references to administrative appeals or to the taxpayer rights advocate shall be construed to be references to the case reviewer, references to tax court shall be construed to mean district court, and offers in compromise shall be submitted to the referring agency. A debtor who qualifies for cancellation of collection costs under section 16D.11, subdivision 3, clause (1), can apply to the commissioner for reduction or release of a continuous wage levy, if the debtor establishes that the debtor needs all or a portion of the wages being levied upon to pay for essential living expenses, such as food, clothing, shelter, medical care, or expenses necessary for maintaining employment. The commissioner's determination not to reduce or release a continuous wage levy is appealable to district court. The word "tax" or "taxes" when used in the tax collection statutes listed in this subdivision also means debts referred under this chapter.~~

~~(b) For debts other than state taxes, child support, or student loans, before any of the tax collection remedies listed in this subdivision can be used, except for the remedies in section 270.06, clauses (7) and (17), if the referring agency has not already obtained a judgment or filed a lien, the commissioner must first obtain a judgment against the debtor. For student loans when the referring agency has not obtained a judgment or filed a lien, Before using the tax collection remedies listed in this subdivision, except for the remedies in section 270.06, clauses (7) and (17), the commissioner shall give the debtor 30 days' notice in writing, which may be served in any manner permitted in section 270.68 for service of a summons and complaint. The notice must advise the debtor of the debtor's right to request that the commissioner commence a court action, and that if no such request is made within 30 days after service of the notice, the commissioner may use these tax collection remedies. If a timely request is made, the commissioner shall obtain a judgment before using these tax collection remedies. notice and demand for payment of the amount due must be given to the person liable for the payment or collection of the debt at least 30 days prior to the use of the remedies. The notice must be sent to the person's last known address and must include a brief statement that sets forth in simple and nontechnical terms the amount and source of the debt, the nature of the available collection remedies, and remedies available to the debtor.~~

~~[EFFECTIVE DATE.] This section is effective the day following final enactment for all debts referred, whether referred prior to or on or after the day following final enactment.~~

Sec. 5. Minnesota Statutes 2002, section 287.12, is amended to read:

287.12 [TAXES, HOW APPORTIONED.]

(a) All taxes paid to the county treasurer under the provisions of sections 287.01 to 287.12 must be apportioned, 97 percent to the general fund of the state, and three percent to the county revenue fund.

(b) On or before the 20th day of each month the county treasurer shall determine and pay to the commissioner of revenue for deposit in the state treasury and credit to the general fund the state's portion of the receipts from the mortgage registry tax during the preceding month subject to the electronic payment requirements of section 270.771. The county treasurer shall provide any related reports requested by the commissioner of revenue.

(c) Counties must remit the state's portion of the June receipts collected through June 25 and the estimated state's portion of the receipts to be collected during the remainder of the month to the commissioner of revenue two business days before June 30 of each year. The remaining amount of the June receipts is due on August 20.

~~[EFFECTIVE DATE.] This section is effective January 1, 2004.~~

Sec. 6. Minnesota Statutes 2002, section 287.29, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT AND PAYMENT OF TAX PROCEEDS.] (a) The proceeds of the taxes levied and collected under sections 287.21 to 287.39 must be apportioned, 97 percent to the general fund of the state, and three percent to the county revenue fund.

(b) On or before the 20th day of each month, the county treasurer shall determine and pay to the commissioner of revenue for deposit in the state treasury and credit to the general fund the state's portion of the receipts for deed tax from the preceding month subject to the electronic transfer requirements of section 270.771. The county treasurer shall provide any related reports requested by the commissioner of revenue.

(c) Counties must remit the state's portion of the June receipts collected through June 25 and the estimated state's portion of the receipts to be collected during the remainder of the month to the commissioner of revenue two business days before June 30 of each year. The remaining amount of the June receipts is due on August 20.

[EFFECTIVE DATE.] This section is effective January 1, 2004.

Sec. 7. Minnesota Statutes 2002, section 287.31, is amended by adding a subdivision to read:

Subd. 3. [UNDERPAYMENTS OF ACCELERATED PAYMENT OF JUNE TAX RECEIPTS.] If a county fails to timely remit the state portion of the actual June tax receipts at the time required by section 287.12 or 287.29, the county shall pay a penalty equal to ten percent of the state portion of actual June receipts less the amount remitted to the commissioner of revenue in June. The penalty must not be imposed, however, if the amount remitted in June equals either:

- (1) 90 percent of the state's portion of the preceding May's receipts; or
- (2) 90 percent of the average monthly amount of the state's portion for the previous calendar year.

[EFFECTIVE DATE.] This section is effective January 1, 2004.

Sec. 8. Minnesota Statutes 2002, section 289A.08, subdivision 16, is amended to read:

Subd. 16. [TAX REFUND OR RETURN PREPARERS; ELECTRONIC FILING; PAPER FILING FEE IMPOSED.] (a) A "tax refund or return preparer," as defined in section 289A.60, subdivision 13, paragraph (g), who prepared more than 500 Minnesota individual income tax returns for the prior calendar year must file all Minnesota individual income tax returns prepared for the current calendar year by electronic means.

(b) For tax returns prepared for the tax year beginning in 2001, the "500" in paragraph (a) is reduced to 250.

(c) For tax returns prepared for tax years beginning after December 31, 2001, the "500" in paragraph (a) is reduced to 100.

(d) Paragraph (a) does not apply to a return if the taxpayer has indicated on the return that the taxpayer did not want the return filed by electronic means.

(e) For each return that is not filed electronically by a tax refund or return preparer under this subdivision, including returns filed under paragraph (d), a paper filing fee of \$5 is imposed upon the preparer. The fee is collected from the preparer in the same manner as income tax.

[EFFECTIVE DATE.] This section is effective for returns filed for tax years beginning after December 31, 2002.

Sec. 9. Minnesota Statutes 2002, section 289A.20, subdivision 4, is amended to read:

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

due on an annual use tax return as provided under section 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

(b) ~~For a fiscal year ending before July 1, 2002,~~ A vendor having a liability of \$120,000 or more during a fiscal year ending June 30 must remit the June liability for the next year in the following manner:

(1) Two business days before June 30 of the year, the vendor must remit ~~75~~ 85 percent of the estimated June liability to the commissioner.

(2) On or before August 20 of the year, the vendor must pay any additional amount of tax not remitted in June.

(c) A vendor having a liability of \$120,000 or more during a fiscal year ending June 30 must remit all liabilities on returns due for periods beginning in the subsequent calendar year by electronic means on or before the 20th day of the month following the month in which the taxable event occurred, or on or before the 20th day of the month following the month in which the sale is reported under section 289A.18, subdivision 4, except for ~~75~~ 85 percent of the estimated June liability, which is due two business days before June 30. The remaining amount of the June liability is due on August 20.

[EFFECTIVE DATE.] This section is effective for payments made after December 31, 2003.

Sec. 10. Minnesota Statutes 2002, section 289A.31, subdivision 7, is amended to read:

Subd. 7. [SALES AND USE TAX.] (a) The sales and use tax required to be collected by the retailer under chapter 297A constitutes a debt owed by the retailer to Minnesota, and the sums collected must be held as a special fund in trust for the state of Minnesota.

A retailer who does not maintain a place of business within this state as defined by section 297A.66, subdivision 1, shall not be indebted to Minnesota for amounts of tax that it was required to collect but did not collect unless the retailer knew or had been advised by the commissioner of its obligation to collect the tax.

(b) The use tax required to be paid by a purchaser is a debt owed by the purchaser to Minnesota.

(c) The tax imposed by chapter 297A, and interest and penalties, is a personal debt of the individual required to file a return from the time the liability arises, irrespective of when the time for payment of that liability occurs. The debt is, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, that of the individual in an official or fiduciary capacity unless the individual has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which case the individual is personally liable for the deficiency.

(d) Liability for payment of sales and use taxes includes any responsible person or entity described in the personal liability provisions of section 270.101.

(e) Any amounts collected, even if erroneously or illegally collected, from a purchaser under a representation that they are taxes imposed under chapter 297A are state funds from the time of collection and must be reported on a return filed with the commissioner.

~~(f) The tax imposed under chapter 297A on sales of tickets to the premises of or events sponsored by the state agricultural society and conducted on the state fairgrounds during the period of the annual state fair may be retained by the state agricultural society if the funds are used and matched as required under section 37.13, subdivision 2.~~

[EFFECTIVE DATE.] This section is effective for sales taxes collected on sales occurring after June 30, 2003.

Sec. 11. Minnesota Statutes 2002, section 289A.56, subdivision 4, is amended to read:

Subd. 4. [CAPITAL EQUIPMENT AND CERTAIN BUILDING MATERIALS REFUNDS; REFUNDS TO PURCHASERS.] Notwithstanding subdivision 3, for refunds payable under section sections 297A.75, subdivision 1, clauses (1), (2), (3), and (5), interest is computed from the date the refund claim is filed with the commissioner. For refunds payable under section and 289A.50, subdivision 2a, interest is computed from the 20th day of the month following the month of the invoice date for the purchase which is the subject of the refund, if the refund claim includes a detailed schedule of purchases made during each of the periods in the claim. If the refund claim submitted does not contain a schedule reflecting purchases made in each period, interest is computed from the date the claim was filed 90 days after the refund claim is filed with the commissioner.

[EFFECTIVE DATE.] This section is effective for refund claims filed on or after April 1, 2003.

Sec. 12. Minnesota Statutes 2002, section 289A.60, subdivision 15, is amended to read:

Subd. 15. [ACCELERATED PAYMENT OF JUNE SALES TAX LIABILITY; PENALTY FOR UNDERPAYMENT.] If a vendor is required by law to submit an estimation of June sales tax liabilities and ~~62~~ 85 percent payment by a certain date, the vendor shall pay a penalty equal to ten percent of the amount of actual June liability required to be paid in June less the amount remitted in June. The penalty must not be imposed, however, if the amount remitted in June equals the lesser of ~~62~~ 85 percent of the preceding May's liability or ~~62~~ 85 percent of the average monthly liability for the previous calendar year.

[EFFECTIVE DATE.] This section is effective for payments made after December 31, 2003.

Sec. 13. Minnesota Statutes 2002, section 290.06, subdivision 23, is amended to read:

Subd. 23. [REFUND OF CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (a) A taxpayer may claim a refund equal to one-half of the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum refund for an individual must not exceed \$50 ~~\$25~~ and for a married couple, filing jointly, must not exceed \$100 ~~\$50~~. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the chair or treasurer of the party unit, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the campaign finance and public disclosure board upon its request. A claim must be filed with the commissioner no sooner than January 1 of the calendar year in which the contribution was made and no later than April 15 of the calendar year following the calendar year in which the contribution was made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution was made must include interest at the rate specified in section 270.76.

(b) No refund is allowed under this subdivision for a contribution to a candidate unless the candidate:

- (1) has signed an agreement to limit campaign expenditures as provided in section 10A.322;
- (2) is seeking an office for which voluntary spending limits are specified in section 10A.25; and
- (3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditures of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major party" or "minor party" includes the aggregate of that party's organization within

each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the campaign finance and public disclosure board by each August 1 a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a).

[EFFECTIVE DATE.] This section is effective for that portion of any refund claim based on contributions that are made on or after the day following final enactment.

Sec. 14. Minnesota Statutes 2002, section 297A.75, subdivision 4, is amended to read:

Subd. 4. **[INTEREST.]** Interest must be paid on the refund at the rate in section 270.76 from the date the refund claim is filed for taxes paid under subdivision 1, clauses (1) to (3), and (5), and from 60 days after the date the refund claim is filed with the commissioner for claims filed under subdivision 1, clauses (4), (6), (7), (8), and (9) 90 days after the refund claim is filed with the commissioner for taxes paid under subdivision 1.

[EFFECTIVE DATE.] This section is effective for refund claims filed on or after April 1, 2003.

Sec. 15. Minnesota Statutes 2002, section 297A.94, is amended to read:

297A.94 **[DEPOSIT OF REVENUES.]**

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, ~~87.4~~ 74 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota zoological garden, the Como park zoo and conservatory, and the Duluth zoo.

(f) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

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

Sec. 16. Minnesota Statutes 2002, section 297F.09, subdivision 1, is amended to read:

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

shown by it. The return for the May liability and 85 percent of the estimated June liability is due on the date payment of the tax is due.

[EFFECTIVE DATE.] This section is effective January 1, 2004.

Sec. 17. Minnesota Statutes 2002, section 297F.09, subdivision 2, is amended to read:

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

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

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

Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns must be made in the form and manner prescribed by the commissioner and must contain any other information required by the commissioner. The return must be accompanied by a remittance for the full tax liability shown, less 1.5 percent of the liability as compensation to reimburse the distributor for expenses incurred in the administration of this chapter. The return for the May liability and 85 percent of the estimated June liability is due on the date payment of the tax is due.

[EFFECTIVE DATE.] This section is effective January 1, 2004.

Sec. 18. Minnesota Statutes 2002, section 297F.09, is amended by adding a subdivision to read:

Subd. 10. [ACCELERATED TAX PAYMENT; CIGARETTE OR TOBACCO PRODUCTS DISTRIBUTOR.] A cigarette or tobacco products distributor having a liability of \$120,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) Two business days before June 30 of the year, the distributor shall remit the actual May liability and 85 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.

(b) On or before August 18 of the year, the distributor shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June, less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals the lesser of:

(1) 85 percent of the actual June liability; or

(2) 85 percent of the preceding May's liability.

[EFFECTIVE DATE.] This section is effective for taxpayers having a liability of \$120,000 or more during the fiscal year ending June 30, 2003, and each fiscal year thereafter, and for accelerated payments becoming due in 2004 and thereafter.

Sec. 19. Minnesota Statutes 2002, section 297F.10, subdivision 1, is amended to read:

Subdivision 1. [TAX AND USE TAX ON CIGARETTES.] Revenue received from cigarette taxes, as well as related penalties, interest, license fees, and miscellaneous sources of revenue shall be deposited by the commissioner in the state treasury and credited as follows:

(a) first to the general obligation special tax bond debt service account in each fiscal year the amount required to increase the balance on hand in the account on each December 1 to an amount

equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from the proceeds of the tax to and including the second following July 1; and

(b) after the requirements of paragraph (a) have been met:

(1) the revenue produced by ~~one mill~~ 3.25 mills of the tax on cigarettes weighing not more than three pounds a thousand and ~~two 6.5 mills~~ of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota future resources fund academic health center special revenue fund hereby created and is annually appropriated to the board of regents at the University of Minnesota for academic health center funding at the University of Minnesota; and

(2) the revenue produced by 1.25 mills of the tax on cigarettes weighing not more than three pounds a thousand and 2.5 mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the medical education and research costs special revenue fund hereby created and is annually appropriated to the commissioner of health for medical education and research funding at the department of health; and

(3) the balance of the revenues derived from taxes, penalties, and interest (under this chapter) and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

[EFFECTIVE DATE.] This section is effective for all revenues received after June 30, 2003.

Sec. 20. Minnesota Statutes 2002, section 297G.09, is amended by adding a subdivision to read:

Subd. 9. [ACCELERATED TAX PAYMENT; PENALTY.] A person liable for tax under this chapter having a liability of \$120,000 or more during a fiscal year ending June 30, shall remit the June liability for the next year in the following manner:

(a) Two business days before June 30 of the year, the taxpayer shall remit the actual May liability and 85 percent of the estimated June liability to the commissioner and file the return in the form and manner prescribed by the commissioner.

(b) On or before August 18 of the year, the taxpayer shall submit a return showing the actual June liability and pay any additional amount of tax not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability required to be paid in June less the amount remitted in June. However, the penalty is not imposed if the amount remitted in June equals the lesser of:

(1) 85 percent of the actual June liability; or

(2) 85 percent of the preceding May liability.

[EFFECTIVE DATE.] This section is effective for taxpayers having a liability of \$120,000 or more during the fiscal year ending June 30, 2003, and each fiscal year thereafter, and for accelerated payments becoming due in 2004 and thereafter.

Sec. 21. Laws 2001, First Special Session chapter 5, article 12, section 95, as amended by Laws 2002, chapter 377, article 3, section 24, is amended to read:

Sec. 95. [REPEALER.]

(a) Minnesota Statutes 2000, sections 297A.61, subdivision 16; 297A.68, subdivision 21; and 297A.71, subdivision 2, are repealed effective for sales and purchases occurring after June 30, 2001, except that the repeal of section 297A.61, subdivision 16, paragraph (d), is effective for sales and purchases occurring after July 31, 2001.

(b) Minnesota Statutes 2000, sections 297A.62, subdivision 2, and 297A.64, subdivision 1, are repealed effective for sales and purchases made after December 31, 2005.

(c) Minnesota Statutes 2000, section 297A.71, subdivision 15, is repealed effective for sales and purchases made after June 30, 2002.

(d) ~~Minnesota Statutes 2000, section 289A.60, subdivision 15, is repealed effective for liabilities after January 1, 2004.~~

(e) Minnesota Statutes 2000, section 297A.71, subdivision 16, is repealed effective for sales and purchases occurring after December 31, 2002.

Sec. 22. [REPEALER.]

(a) Minnesota Statutes 2002, section 37.13, subdivision 2, is repealed effective July 1, 2003, but the repealer does not apply to sales taxes retained on sales occurring before July 1, 2003.

(b) Minnesota Statutes 2002, section 325E.112, subdivision 2a, is repealed effective July 1, 2003."

Page 255, line 21, delete "20" and insert "8"

Page 261, line 1, delete "21" and insert "9"

Page 261, line 2, before "MISCELLANEOUS" insert "ADDITIONAL"

Page 261 and 262, delete sections 1 to 3

Page 263 to 268, delete sections 6 to 11

Pages 269 and 270, delete sections 13 to 15

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Kleis moved to amend the third Pogemiller amendment to H.F. No. 1597 as follows:

Pages 4 and 5, delete section 6 and insert:

"Sec. 6. [2004 CITY AID REDUCTIONS; CONTINGENT PERMANENT REDUCTION.]

Subdivision 1. [DEFINITION.] For purposes of this section, the 2004 "levy plus aid revenue base" for a city is the sum of that city's property tax levy for taxes payable in 2003, as reported to the commissioner of revenue under Minnesota Statutes, section 275.74, plus the sum of the amounts the city was certified to receive in 2003 as:

(1) local government aid under Minnesota Statutes, section 477A.013;

(2) existing low-income housing aid under Minnesota Statutes, section 477A.06;

(3) new construction low-income housing aid under Minnesota Statutes, section 477A.065; and

(4) taconite aids under Minnesota Statutes, sections 298.28 and 298.282, including any aid which was required to be placed in a special fund for expenditure in the next succeeding year.

Subd. 2. [COMPUTATION; APPLICATION.] The commissioner of revenue shall compute an aid reduction amount for each city for 2004 equal to 5.37 percent of the city's levy plus aid revenue base for 2004.

The reduction is limited to the city's payable 2004 distribution pursuant to Minnesota Statutes, section 477A.013, and related sections, and the city's payable 2004 reimbursement under Minnesota Statutes, section 273.1384.

The reduction is applied first to the city's distribution pursuant to Minnesota Statutes, section 477A.013, and then if necessary to the city's reimbursement pursuant to Minnesota Statutes, section 273.1384.

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

Pages 8 and 9, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 2002, section 477A.013, subdivision 9, is amended to read:

Subd. 9. [CITY AID DISTRIBUTION.] ~~(a) In calendar year 2002 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. The total aid for a city with a population less than 2,500 must not be less than the amount it was certified to receive in the previous year minus five percent of its 2003 certified amount.~~

~~(b) The percentage increase for a first class city in calendar year 1995 and thereafter, except for 2002, shall not exceed 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. For aids payable in 2002 only, the amount of the aid paid to a first class city shall not exceed the sum of its aid amount for calendar year 2001 under this section and its aid payment in calendar year 2001 under section 273.1398, subdivision 2, by more than 2.5 percent.~~

~~(c) For aids payable in all years except 2002, the total aid for any city, except a first class city, shall not exceed the sum of (1) ten percent of the city's net levy for the year prior to the aid distribution plus (2) its total aid in the previous year. For aids payable in 2002 only, the total aid for any city, except a first class city, shall not exceed the sum of (1) 40 percent of the city's net levy for taxes payable in the year prior to the aid distribution plus (2) 40 percent of its total aid in the previous year under section 273.1398, subdivision 2, plus (3) its total aid in the previous year under this section.~~

[EFFECTIVE DATE.] This section is effective beginning with aids payable in 2004.

Sec. 6. Minnesota Statutes 2002, section 477A.013, is amended by adding a subdivision to read:

Subd. 10. [SMALL CITY EQUALIZATION AID.] In 2004 and thereafter, each city with a population under 5,000 that receives aid under this section shall receive additional aid computed as follows:

(1) the amount of aid payable to each city of the first class under this section is reduced by five percent; and

(2) the amount realized under clause (1) is divided among all cities that have a population under 5,000 in proportion to the amount of aid each such city receives under this section, not including this subdivision."

Page 10, line 33, delete "\$352,000,000" and insert "\$608,000,000"

Pages 18 to 30, delete article 4

Page 31, after line 4, insert:

"ARTICLE 5
TRANSIT FUNDING

"Section 1. Minnesota Statutes 2002, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [DEPOSIT OF REVENUES.] (a) Money collected and received under this chapter must be deposited as ~~provided in this subdivision.~~

~~(b) From July 1, 2001, to June 30, 2002, 30.86 percent of the money collected and received must be deposited in the highway user tax distribution fund, and the remaining money must be deposited in the general fund.~~

~~(c) On and after July 1, 2002, follows: 32 percent of the money collected and received must be deposited in the highway user tax distribution fund, ~~20.5~~ 10.25 percent must be deposited in the metropolitan area transit fund under section 16A.88, and ~~1.25~~ 0.625 percent must be deposited in~~

the greater Minnesota transit fund under section 16A.88. In fiscal year 2004 and thereafter, two percent of the money collected and received must be deposited in the metropolitan area transit appropriation account under section 16A.88. The remaining money must be deposited in the general fund.

[EFFECTIVE DATE.] This section is effective July 1, 2003.

Sec. 2. Minnesota Statutes 2002, section 473.388, subdivision 7, is amended to read:

Subd. 7. **[LOCAL LEVY OPTION.]** (a) A statutory or home rule charter city or town that is eligible for assistance under this section may levy a tax for payment of the operating and capital expenditures for transit and other related activities and to provide for payment of obligations issued by the municipality for capital expenditures for transit and other related activities, provided that property taxes were pledged to satisfy the obligations, and provided that legislative appropriations are insufficient to satisfy the obligations such purposes, provided that the tax, when combined with the assistance received under subdivision 4, must be sufficient to maintain the level of transit service provided in the municipality in the previous year.

(b) The transit tax levied by a municipality under this section for taxes payable in 2004 may not exceed 50 percent of the amount of the assistance received under subdivision 4 in fiscal year 2003, multiplied by an index for market valuation changes equal to the total market valuation of all taxable property located within the municipality for the current taxes payable year divided by the total market valuation of all taxable property located within the municipality for the previous taxes payable year.

For taxes payable in 2005 and subsequent years, the product of (i) the municipality's property tax levy limitation for the previous year determined under this subdivision, multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the municipality for the current taxes payable year divided by the total market valuation of all taxable property located within the municipality for the previous taxes payable year.

(c) This subdivision is consistent with the transit redesign plan. Eligible municipalities opting to operate under this subdivision shall continue to meet the regional performance standards established by the council.

(e) (d) Within the designated Americans with Disabilities Act area, metro mobility remains the obligation of the state.

[EFFECTIVE DATE.] This section is effective for taxes levied in 2003, payable in 2004, and subsequent years.

Sec. 3. Minnesota Statutes 2002, section 473.446, subdivision 1, is amended to read:

Subdivision 1. **[METROPOLITAN AREA TRANSIT TAX.]** (a) For the purposes of sections 473.405 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the council shall levy each year upon all taxable property within the metropolitan area, defined in section 473.121, subdivision 2, a transit tax consisting of:

(1) an amount which shall be used for payment of the expenses of operating transit and paratransit services;

(2) an amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council has specifically pledged tax levies under this clause; and

(2) (3) an additional amount necessary to provide full and timely payment of certificates of indebtedness issued by the council, after consultation with the commissioner of finance, if revenues to the metropolitan area transit fund in the fiscal year in which the indebtedness is issued increase over those revenues in the previous fiscal year by a percentage less than the percentage

increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

(b) Indebtedness to which property taxes have been pledged under paragraph (a), clause (2), that is incurred in any fiscal year may not exceed the amount necessary to make up the difference between (1) the amount that the council received or expects to receive in that fiscal year from the metropolitan area transit fund and (2) the amount the council received from that fund in the previous fiscal year multiplied by the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

(c) The property tax levied by the council for general purposes under paragraph (a) must not exceed the following amount for the years specified:

(1) for taxes payable in 2004, 50 percent of the amount received by the council for that purpose from the metropolitan area transit fund under section 16A.88, subdivision 2, in fiscal year 2003, multiplied by an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous taxes payable year; and

(2) for taxes payable in 2005 and subsequent years, the product of (i) the council's property tax levy limitation for the previous year determined under this subdivision, multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous taxes payable year.

Sec. 4. Minnesota Statutes 2002, section 473.446, is amended by adding a subdivision to read:

Subd. 1c. [TAXATION WITHIN TRANSIT AREA.] For the purposes of sections 473.405 to 473.449, and the metropolitan transit system, the metropolitan council shall levy upon all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district, defined in subdivision 2, a transit tax, which shall be equal to ten percent of the sum of the levies provided in subdivision 1, paragraph (a), clauses (1) to (3). The proceeds of this tax shall be used only for paratransit services or ride sharing programs designed to serve persons located within the transit area but outside of the transit taxing district.

[EFFECTIVE DATE.] This section is effective for taxes levied in 2003, payable in 2004, and subsequent years.

Sec. 5. Minnesota Statutes 2002, section 473.446, is amended by adding a subdivision to read:

Subd. 1d. [DEDUCTION OF LEVY FOR ELIGIBLE MUNICIPALITIES.] (a) The maximum the council may levy for general purposes under subdivision 1, paragraph (a), upon taxable property within a municipality levying taxes under section 473.388, subdivision 7, is the combined transit tax levied within the municipality in the previous year under subdivision 1 and section 473.388, subdivision 7, multiplied by the municipality's market value adjustment ratio, minus the amount to be levied by the municipality under section 473.388, subdivision 7, for the current levy year.

(b) For purposes of this subdivision:

(1) "municipality" means a municipality levying taxes under section 473.388, subdivision 7, for replacement transit service;

(2) "market value adjustment ratio" means the index for market valuation changes described in this section, as applied to individual municipalities; and

(3) "tax revenues" has the meaning given in section 473.388, subdivision 4.

[EFFECTIVE DATE.] This section is effective for taxes levied in 2003, payable in 2004, and subsequent years.

Sec. 6. [BORROWING FOR TRANSIT REVENUE; SPECIAL LEVY.]

Subdivision 1. [BORROWING TO REPLACE TRANSIT REVENUE.] The metropolitan council and any municipality that received revenues to be used for transit services under Minnesota Statutes, section 174.242 or 473.388, in calendar year 2002 may borrow money to replace the revenue that the council or municipality would have received under Minnesota Statutes, section 174.242 or 473.388, in calendar year 2003 if this act had not been enacted. The money may be used or expended by the council or the municipality for any purpose for which the money that would have been paid under Minnesota Statutes, section 174.242 or 473.388, could have been expended, including, but not limited to, current expenses, capital expenditures, and the discharge of any obligation or indebtedness of the council or municipality. The indebtedness must be represented by a note or notes which may be issued from time to time in any denomination and sold at public or private sale pursuant to a resolution authorizing the issuance. The resolution must set forth the form and manner of execution of the notes and shall contain other terms and conditions the council or the municipality deems necessary or desirable to provide security for the holders of the notes. The term of the notes may not exceed five years. The note or notes are payable from committed or appropriated money from taxes, grants or loans of the state or federal government made to the council, or other revenues, and the money may be pledged to the payment of the notes.

Subd. 2. [SPECIAL LEVY FOR REPAYMENT.] Notwithstanding any other law or charter provision to the contrary, the council or the municipality may levy taxes outside of any limitation on levies for the purpose of repayment of the notes issued under subdivision 1 for taxes levied in 2003 to 2007, payable from 2004 to 2008.

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

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

The question was taken on the adoption of the Kleis amendment to the Pogemiller amendment.

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

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

Those who voted in the affirmative were:

Day	Kierlin	Koering	Nienow	Ruud
Dille	Kiscaden	Larson	Ourada	Senjem
Fischbach	Kleis	Neuville	Rosen	Wergin
Frederickson				

Those who voted in the negative were:

Anderson	Gaither	Langseth	Ortman	Skoe
Bachmann	Hann	LeClair	Pappas	Skoglund
Bakk	Higgins	Limmer	Pariseau	Solon
Belanger	Hottinger	Lourey	Pogemiller	Sparks
Berglin	Johnson, D.E.	Marko	Ranum	Stumpf
Betzold	Johnson, D.J.	McGinn	Reiter	Tomassoni
Chaudhary	Jungbauer	Metzen	Rest	Vickerman
Cohen	Kelley	Michel	Robling	Wiger
Dibble	Knutson	Moua	Saxhaug	
Foley	Kubly	Olson	Scheid	

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

The question was taken on the adoption of the third Pogemiller amendment.

The roll was called, and there were yeas 19 and nays 46, as follows:

Those who voted in the affirmative were:

Bachmann	Gaither	Knutson	McGinn	Pariseau
Belanger	Hann	Larson	Michel	Reiter
Day	Johnson, D.J.	LeClair	Olson	Robling
Dille	Jungbauer	Limmer	Ortman	

Those who voted in the negative were:

Anderson	Higgins	Lourey	Rest	Sparks
Bakk	Hottinger	Marko	Rosen	Stumpf
Berglin	Johnson, D.E.	Metzen	Ruud	Tomassoni
Betzold	Kelley	Moua	Sams	Vickerman
Chaudhary	Kierlin	Neuville	Saxhaug	Wergin
Cohen	Kiscaden	Nienow	Scheid	Wiger
Dibble	Kleis	Ourada	Senjem	
Fischbach	Koering	Pappas	Skoe	
Foley	Kubly	Pogemiller	Skoglund	
Frederickson	Langseth	Ranum	Solon	

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

Senator Bachmann moved to amend H.F. No. 1597, as amended by the Senate May 13, 2003, as follows:

(The text of the amended House File is identical to S.F. No. 1547.)

Page 270, after line 9, insert:

"ARTICLE 22

CONSTITUTIONAL AMENDMENT

Section 1. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a new article XV shall be added to read as follows:

ARTICLE XV

TAXPAYER'S BILL OF RIGHTS

Section 1. [GENERAL PROVISIONS.]

This section takes effect July 1, 2005. Its preferred interpretation shall reasonably restrain most of the growth of government. All provisions are self-executing and severable and supersede conflicting state constitutional, state statutory, charter, or other state or local provisions. Other limits on district revenue, spending, and debt may be weakened only by future voter approval. When annual district revenue is less than annual payments on general obligation bonds, pensions, and final court judgments, sections 4, paragraph (a), and 6 shall be suspended to provide for the deficiency.

Sec. 2. [TERM DEFINITIONS.]

Within this article the following terms have the meanings given them.

(a) "Ballot issue" means a petition or a referred measure in an election requesting voter authorization to increase taxes, debt, or revenue as required under the provisions of this article.

(b) "District" means the state, a home rule charter or statutory city, a county, or a school district.

(c) "Emergency" excludes economic conditions, revenue shortfalls, or district salary or fringe benefit increases.

(d) "Fiscal year spending" means all district expenditures and reserve increases except, as to both, those for refunds made in the current or next fiscal year or those from gifts, federal funds,

collections for another government, pension contributions by employees and pension fund earning, reserve transfers or expenditures, damage awards, or property sales.

(e) "Inflation" means the percentage change in the United States Bureau of Labor Statistics Consumer Price Index for Minnesota, all items, all urban consumers, or its successor index.

(f) "Local growth" for a city or county means a net percentage change in actual value of all real property in a district from construction of taxable real property improvements, minus destruction of similar improvements, and additions to, minus deletions from, taxable real property. For a school district, it means the percentage change in its student enrollment.

Sec. 3. [ELECTION PROVISIONS.]

(a) Ballot issues shall be decided in a state general election, biennial local district election, or on the first Tuesday in November of odd-numbered years.

(b) At least 30 days before a ballot issue election, districts shall mail at the least cost, and as a package where districts with ballot issues overlap, a titled notice or set of notices addressed to "All Registered Voters" at each address of one or more active registered electors. Titles shall have this order of preference: "NOTICE OF ELECTION TO INCREASE TAXES/TO INCREASE DEBT/ON A CITIZEN PETITION/ON A REFERRED MEASURE." Notices shall include only:

(1) the election date, hours, ballot title, text, and local election office address and telephone number;

(2) for proposed district tax or bonded debt increases, the estimated or actual total of district fiscal year spending for the current year and each of the past four years, and the overall percentage and dollar change;

(3) for the first full fiscal year of each proposed district tax increase, district estimates of the maximum dollar amount of each increase and of district fiscal year spending without the increase;

(4) for proposed district bonded debt, its principal amount and maximum annual and total district repayment cost, and the principal balance of total current district bonded debt and its maximum annual and remaining total district repayment cost;

(5) two summaries, up to 500 words each, one for and one against the proposal, of written comments filed with the election officer at least 45 days before the election. No summary shall mention names of persons or private groups, nor any endorsements of or resolutions against the proposal. Petition representatives following these rules shall write this summary for their petition. The election officer shall maintain and accurately summarize all other relevant written comments.

(c) Except by later voter approval, if a tax increase or if fiscal year spending exceeds any estimate in paragraph (b), clause (3), for the same fiscal year, the tax increase is thereafter reduced up to 100 percent in proportion to the combined dollar excess, and the combined excess revenue refunded in the next fiscal year. District bonded debt shall not issue on terms that could exceed its share of its maximum repayment costs in paragraph (b), clause (4). Ballot titles for tax or bonded debt increases shall begin, "SHALL (DISTRICT) TAXES BE INCREASED (first, or if phased in, final, full fiscal year dollar increase) ANNUALLY...?" or "SHALL (DISTRICT) DEBT BE INCREASED (principal amount), WITH A REPAYMENT COST OF (maximum total district cost), ...?"

Sec. 4. [REQUIRED ELECTIONS.]

Districts must have voter approval in advance for:

(a) Unless section 1 or 5 applies, any new tax, tax rate increase, extension of an expiring tax, or a tax policy change directly causing a net tax revenue gain to any district.

(b) Except for refinancing district bonded debt at a lower interest rate, creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years.

Sec. 5. [EMERGENCY TAXES.]

This section grants no new taxing power. Emergency tax revenue is excluded for purposes of sections 3, paragraph (c), and 6, even if later ratified by voters. Emergency taxes shall also meet all of the following conditions:

(a) A two-thirds majority of the members of each house of the legislature or the governing body of a local district declares the emergency and imposes the tax or tax increase by separate recorded roll call votes.

(b) Emergency tax revenue shall be spent only after reserves are depleted, and shall be refunded within 180 days after the emergency ends if not spent on the emergency.

(c) A tax or tax increase not approved on the next election date 60 days or more after the declaration shall end with that election month.

Sec. 6. [SPENDING LIMITS.]

(a) The maximum annual percentage change in state fiscal year spending equals inflation plus the percentage change in state population in the prior calendar year, adjusted for revenue changes approved by voters. Population shall be determined by annual federal census estimates and shall be adjusted every decade to match the federal census.

(b) The maximum annual percentage change in each local district's fiscal year spending equals inflation in the prior calendar year plus annual local growth, adjusted for revenue changes approved by voters and the reductions in section 7.

(c) The maximum annual percentage change in each district's property tax revenue equals inflation in the prior calendar year plus annual local growth, adjusted for property tax revenue changes approved by voters and the reductions in section 7.

(d) If revenue from sources not excluded from fiscal year spending exceeds these limits in dollars for that fiscal year, the excess shall be refunded in the next fiscal year unless voters approve a revenue change as an offset. Initial district bases are 2004 fiscal year spending and 2004 property taxes collected in 2005. Future creation of district bonded debt shall increase, and retiring or refinancing district bonded debt shall lower, fiscal year spending and property tax revenue by the annual debt service so funded. Debt service changes, refunds under section 3, paragraph (c), and voter-approved revenue changes are dollar amounts that are exceptions to, and not part of, any district base. Voter-approved revenue changes do not require a tax rate change.

Sec. 7. [STATE MANDATES.]

Except for public education through grade 12 or as required of a local district by federal law, a local district may reduce or end its subsidy to any program delegated to it by the legislature for administration. For current programs, the state may require 90 days' notice and that the adjustment occur in a maximum of three equal annual installments.

Sec. 2. [SUBMISSION TO VOTERS.]

The proposed amendment must be submitted to the people at the 2004 general election. The question submitted shall be:

"Effective July 1, 2005, shall the Minnesota Constitution be amended to limit increases in government spending and taxes, unless approved by the voters, as follows:

(1) for state spending, to a percentage no greater than the percentage increases in inflation and population;

(2) for local government spending, to a percentage increase no greater than the percentage increases in inflation and growth in property value or, for school districts, student enrollment; and

(3) for state and local governments, to limit tax increases and prohibit new taxes?

Yes.....
No....." "

Amend the title accordingly

Senator Pogemiller questioned whether the amendment was germane under Rule 35.3.

The President ruled that the amendment was not germane.

Senator Bachmann moved that Rule 35.3 be suspended as it relates to the Bachmann amendment.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 30 and nays 32, as follows:

Those who voted in the affirmative were:

Bachmann	Gaither	Kleis	Michel	Pariseau
Belanger	Hann	Koering	Neuville	Reiter
Day	Johnson, D.J.	Larson	Nienow	Robling
Dille	Jungbauer	LeClair	Olson	Rosen
Fischbach	Kierlin	Limmer	Ortman	Senjem
Frederickson	Kiscaden	McGinn	Ourada	Wergin

Those who voted in the negative were:

Anderson	Foley	Marko	Sams	Stumpf
Bakk	Higgins	Metzen	Saxhaug	Tomassoni
Berglin	Hottinger	Moua	Scheid	Vickerman
Betzold	Johnson, D.E.	Pappas	Skoe	Wiger
Chaudhary	Kelley	Pogemiller	Skoglund	
Cohen	Kubly	Ranum	Solon	
Dibble	Langseth	Rest	Sparks	

The motion did not prevail.

Senator Senjem moved to amend H.F. No. 1597, as amended by the Senate May 13, 2003, as follows:

(The text of the amended House File is identical to S.F. No. 1547.)

Page 269, after line 14, insert:

"Sec. 13. [COUNTY OPTION.]

Notwithstanding any other law to the contrary, if state funding is reduced or terminated to a county for a program mandated by a state law, rule, or bulletin, or for which a maintenance of effort or county payment share is added or increased, then the county, at its option, after a public hearing may adjust the service or program to operate within the limits of the state funds appropriated. This provision expires on June 30, 2005."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Senator Kleis moved that those not voting be excused from voting. The motion did not prevail.

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

Those who voted in the affirmative were:

Bachmann	Dille	Gaither	Jungbauer	Kleis
Belanger	Fischbach	Hann	Kierlin	Knutson
Day	Frederickson	Johnson, D.J.	Kiscaden	Koering

Larson	McGinn	Olson	Reiter	Senjem
LeClair	Michel	Ortman	Robling	Wergin
Limmer	Neuville	Ourada	Rosen	
Marko	Nienow	Pariseau	Ruud	

Those who voted in the negative were:

Anderson	Foley	Lourey	Rest	Sparks
Bakk	Higgins	Marty	Sams	Stumpf
Berglin	Hottinger	Metzen	Saxhaug	Tomassoni
Betzold	Johnson, D.E.	Moua	Scheid	Vickerman
Chaudhary	Kelley	Pappas	Skoe	Wiger
Cohen	Kubly	Pogemiller	Skoglund	
Dibble	Langseth	Ranum	Solon	

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

Senator Reiter moved to amend H.F. No. 1597, as amended by the Senate May 13, 2003, as follows:

(The text of the amended House File is identical to S.F. No. 1547.)

Pages 68 and 69, delete section 10

Pages 86 and 87, delete section 28

Re-number 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 11 and nays 48, as follows:

Those who voted in the affirmative were:

Bachmann	Kierlin	Limmer	Pariseau	Robling
Chaudhary	Koering	Olson	Reiter	Senjem
Johnson, D.J.				

Those who voted in the negative were:

Anderson	Frederickson	Kubly	Murphy	Scheid
Bakk	Gaither	Langseth	Neuville	Skoe
Belanger	Hann	LeClair	Nienow	Skoglund
Berglin	Higgins	Lourey	Ourada	Solon
Betzold	Hottinger	Marko	Pappas	Sparks
Cohen	Johnson, D.E.	Marty	Pogemiller	Stumpf
Dibble	Jungbauer	McGinn	Ranum	Vickerman
Dille	Kelley	Metzen	Rest	Wiger
Fischbach	Kleis	Michel	Sams	
Foley	Knutson	Moua	Saxhaug	

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

Senator Senjem moved to amend H.F. No. 1597, as amended by the Senate May 13, 2003, as follows:

(The text of the amended House File is identical to S.F. No. 1547.)

Page 261, after line 2, insert:

"Section 1. Minnesota Statutes 2002, section 3.842, subdivision 4a, is amended to read:

Subd. 4a. [OBJECTIONS TO RULES.] (a) For purposes of this subdivision, "committee" means the house of representatives policy committee or senate policy committee with primary jurisdiction over state governmental operations. The commission, the legislative commission on unnecessary mandates, or a committee may object to a rule as provided in this subdivision. If the

commission, the legislative commission on unnecessary mandates, or a committee objects to all or some portion of a rule because the commission, the legislative commission on unnecessary mandates, or a committee considers it to be beyond the procedural or substantive authority delegated to the agency, including a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), the commission, the legislative commission on unnecessary mandates, or a committee may file that objection in the office of the secretary of state. The filed objection must contain a concise statement of the commission's, the legislative commission on unnecessary mandates', or a committee's reasons for its action. An objection to a proposed rule submitted by the commission, the legislative commission on unnecessary mandates, or a committee under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), may not be filed before the rule is adopted.

(b) The secretary of state shall affix to each objection a certification of the date and time of its filing and as soon after the objection is filed as practicable shall transmit a certified copy of it to the agency issuing the rule in question and to the revisor of statutes. The secretary of state shall also maintain a permanent register open to public inspection of all objections by the commission, the legislative commission on unnecessary mandates, or a committee.

(c) The commission, the legislative commission on unnecessary mandates, or a committee shall publish and index an objection filed under this section in the next issue of the State Register. The revisor of statutes shall indicate the existence of the objection adjacent to the rule in question when that rule is published in Minnesota Rules.

(d) Within 14 days after the filing of an objection by the commission, the legislative commission on unnecessary mandates, or a committee to a rule, the issuing agency shall respond in writing to the objecting entity. After receipt of the response, the commission, the legislative commission on unnecessary mandates, or a committee may withdraw or modify its objection.

(e) After the filing of an objection by the commission, the legislative commission on unnecessary mandates, or a committee that is not subsequently withdrawn, the burden is upon the agency in any proceeding for judicial review or for enforcement of the rule to establish that the whole or portion of the rule objected to is valid.

(f) The failure of the commission, the legislative commission on unnecessary mandates, or a committee to object to a rule is not an implied legislative authorization of its validity.

(g) In accordance with sections 14.44 and 14.45, the commission, the legislative commission on unnecessary mandates, or a committee may petition for a declaratory judgment to determine the validity of a rule objected to by the commission, the legislative commission on unnecessary mandates, or a committee. The action must be started within two years after an objection is filed in the office of the secretary of state.

(h) The commission, the legislative commission on unnecessary mandates, or a committee may intervene in litigation arising from agency action. For purposes of this paragraph, agency action means the whole or part of a rule, or the failure to issue a rule.

Sec. 2. Minnesota Statutes 2002, section 3.843, is amended to read:

3.843 [PUBLIC HEARINGS BY STATE AGENCIES.]

By a vote of a majority of its members, the commission or the legislative commission on unnecessary mandates may request any agency issuing rules to hold a public hearing in respect to recommendations made under section 3.842, including recommendations made by the commission or the legislative commission on unnecessary mandates to promote adequate and proper rules by that agency and recommendations contained in the commission's biennial report. The agency shall give notice as provided in section 14.14, subdivision 1, of a hearing under this section, to be conducted in accordance with sections 14.05 to 14.28. The hearing must be held not more than 60 days after receipt of the request or within any other longer time period specified by the commission or the legislative commission on unnecessary mandates in the request.

Sec. 3. [3.99] [LEGISLATIVE COMMISSION ON UNNECESSARY MANDATES; ESTABLISHED.]

Subdivision 1. [ESTABLISHED.] The legislative commission on unnecessary mandates for local governments is established as provided in this section, with the powers and duties given it in sections 3.842, subdivision 4a; 3.843; and 3.99 to 3.993.

Subd. 2. [MEMBERSHIP.] The commission consists of four senators appointed by the senate subcommittee on committees of the committee on rules and administration, three senators appointed by the senate minority leader, four state representatives appointed by the speaker of the house, and three state representatives appointed by the house minority leader. The appointing authorities must ensure balanced geographic representation and consider the background and knowledge of the appointees to provide for a range of expertise in the mandate areas that may be reviewed. Each appointing authority must make appointments as soon as possible after the opening of the next regular session of the legislature in each odd-numbered year.

Subd. 3. [TERMS; VACANCIES.] Members of the commission serve for a two-year term beginning upon appointment and expiring upon appointment of a successor after the opening of the next regular session of the legislature in the odd-numbered year. A vacancy in the membership of the commission must be filled for the unexpired term in a manner that will preserve the representation established by this section.

Subd. 4. [CHAIR.] The commission must meet as soon as practicable after members are appointed in each odd-numbered year to elect its chair and other officers as it may determine necessary. A chair serves a two-year term, expiring in the odd-numbered year after a successor is elected. The chair must alternate biennially between the senate and the house.

Subd. 5. [COMPENSATION.] Members serve without compensation but may be reimbursed for their reasonable expenses as members of the legislature.

Subd. 6. [STAFF.] The legislative coordinating commission must provide administrative support to the commission, including secretarial services, record keeping, and grants administration.

Subd. 7. [MEETINGS; PROCEDURES; TIE VOTES.] The first meeting of the biennium must be convened by the member designated by the senate majority leader if a senator is to chair the commission for the biennium, or by the speaker of the house if a state representative is to chair the commission for the biennium. The commission meets at the call of the chair. If there is a quorum, the commission may take action by a simple majority vote of commission members present. A tie vote on any motion means the motion fails.

Subd. 8. [FUNDING.] The legislative coordinating commission shall annually bill the commissioner of revenue for costs incurred by the legislative coordinating commission in providing administrative support and to make the grants authorized by the legislative commission on unnecessary mandates, in an amount not to exceed \$100,000 per year. The commissioner of revenue shall deduct one-half of the certified costs from payments to counties under section 273.1398, subdivision 2, and one-half of the certified costs from payments to cities under section 477A.03.

Sec. 4. [3.991] [LEGISLATIVE COMMISSION ON UNNECESSARY MANDATES; REVIEW AND RECOMMENDATIONS TO LEGISLATURE.]

The legislative commission on unnecessary mandates for local governments must solicit from local governments information on state laws and rules that local governments consider to be unnecessary mandates. The commission must review the mandates identified and consider why the mandate was enacted or adopted, whether the reason for it still exists, and whether repeal or modification of the mandate is appropriate. Before the beginning of each legislative session, the commission must prepare for introduction a bill to repeal or modify those laws or rules the commission determines are unnecessary.

Sec. 5. [3.992] [LEGISLATIVE COMMISSION ON UNNECESSARY MANDATES; GRANTS.]

The legislative commission on unnecessary mandates may make grants to the league of

Minnesota cities, the association of Minnesota counties, other organizations representing local governments, the board of regents of the University of Minnesota, the board of trustees of Minnesota state colleges and universities, or other accredited postsecondary institutions to research and make recommendations on eliminating unnecessary mandates. A grant may be in any amount up to \$..... The commission must specify the work to be done, the completion date, and the maximum grant amount, and may specify any other conditions it deems necessary or useful.

Sec. 6. [3.993] [LEGISLATIVE COMMISSION ON UNNECESSARY MANDATES; TEMPORARY RULE SUSPENSION.]

The legislative commission on unnecessary mandates may suspend any rule on which the commission received negative testimony at a public hearing. If any rule is suspended, the commission must, as soon as possible, place before the legislature, at the next year's session, a bill to repeal the suspended rule. If the bill is not enacted in that year's session, the rule is effective upon adjournment of the session unless the agency has repealed it. If the bill is enacted, the rule is repealed."

Page 269, after line 21, insert:

"Sec. 20. [FIRST MEETING AFTER EFFECTIVE DATE.]

The first meeting of the legislative commission on unnecessary mandates must be held as soon as practicable after all appointments are made. The speaker of the house must designate a commission member to convene the first meeting. The first commission serves until a new commission is appointed at the beginning of the next biennium."

Page 270, after line 9, insert:

"Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 6 and 20 are effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 35, as follows:

Those who voted in the affirmative were:

Bachmann	Gaither	Knutson	Michel	Reiter
Belanger	Hann	Koering	Neuville	Robling
Day	Johnson, D.J.	Larson	Nienow	Rosen
Dille	Jungbauer	LeClair	Olson	Rud
Fischbach	Kierlin	Limmer	Ortman	Senjem
Frederickson	Kleis	McGinn	Pariseau	Wergin

Those who voted in the negative were:

Anderson	Foley	Lourey	Pogemiller	Skoglund
Bakk	Higgins	Marko	Ranum	Solon
Berglin	Hottinger	Marty	Rest	Sparks
Betzold	Johnson, D.E.	Metzen	Sams	Stumpf
Chaudhary	Kelley	Moua	Saxhaug	Tomassoni
Cohen	Kubly	Murphy	Scheid	Vickerman
Dibble	Langseth	Pappas	Skoe	Wiger

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

H.F. No. 1597 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 35 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Lourey	Pogemiller	Skoglund
Bakk	Higgins	Marko	Ranum	Solon
Berglin	Hottinger	Marty	Rest	Sparks
Betzold	Johnson, D.E.	Metzen	Sams	Stumpf
Chaudhary	Kelley	Moua	Saxhaug	Tomassoni
Cohen	Kubly	Murphy	Scheid	Vickerman
Dibble	Langseth	Pappas	Skoe	Wiger

Those who voted in the negative were:

Bachmann	Hann	Larson	Olson	Ruud
Belanger	Johnson, D.J.	LeClair	Ortman	Senjem
Day	Jungbauer	Limmer	Ourada	Wergin
Dille	Kierlin	McGinn	Pariseau	
Fischbach	Kleis	Michel	Reiter	
Frederickson	Knutson	Neuville	Robling	
Gaither	Koering	Nienow	Rosen	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Hottinger, Chair of the Committee on Rules and Administration, designated S.F. No. 1462 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1462: A bill for an act relating to civil action; providing protection for disclosure of job reference information; requiring disclosure of data between school districts and charter schools relating to acts of violence or inappropriate sexual contact with students; regulating the right of an employee to inspect personnel records concerning the employee; regulating actions involving fault; regulating actions involving certain insurance practices; amending Minnesota Statutes 2002, sections 13.43, subdivision 16; 181.961, subdivision 1; 604.01, subdivision 1; 604.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 181; 604.

RECESS

Senator Hottinger moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

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

The question recurred on S.F. No. 1462.

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate for the balance of the proceedings on S.F. No. 1462. The Sergeant at Arms was instructed to bring in the absent members.

S.F. 1462 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 25 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Lourey	Pappas	Saxhaug
Berglin	Foley	Marty	Pogemiller	Skoe
Betzold	Higgins	Moua	Ranum	Skoglund
Chaudhary	Hottinger	Murphy	Rest	Solon
Cohen	Kelley	Neuville	Sams	Tomassoni

Those who voted in the negative were:

Bachmann	Hann	Langseth	Nienow	Ruud
Bakk	Johnson, D.E.	Larson	Olson	Scheid
Belanger	Johnson, D.J.	LeClair	Ortman	Senjem
Day	Kierlin	Limmer	Ourada	Sparks
Dille	Kleis	Marko	Pariseau	Stumpf
Fischbach	Knutson	McGinn	Reiter	Vickerman
Frederickson	Koering	Metzen	Robling	Wergin
Gaither	Kubly	Michel	Rosen	Wiger

So the bill failed to pass.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 872: A bill for an act relating to real property; conveyances by spouses; purchase-money mortgages; amending Minnesota Statutes 2002, sections 507.02; 507.03.

Senate File No. 872 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 2003

CONCURRENCE AND REPASSAGE

Senator Scheid moved that the Senate concur in the amendments by the House to S.F. No. 872 and that the bill be placed on its repassage as amended.

Senator Betzold moved that the Senate do not concur in the amendments by the House to S.F. No. 872, 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.

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate for the balance of the proceedings on S.F. No. 872. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Betzold motion.

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

Those who voted in the affirmative were:

Anderson	Dibble	Lourey	Pappas	Skoe
Bakk	Foley	Marko	Pogemiller	Skoglund
Berglin	Higgins	Marty	Ranum	Solon
Betzold	Hottinger	Metzen	Rest	Tomassoni
Chaudhary	Kelley	Murphy	Sams	
Cohen	Kubly	Neuville	Saxhaug	

Those who voted in the negative were:

Bachmann	Johnson, D.E.	LeClair	Ourada	Sparks
Belanger	Johnson, D.J.	Limmer	Pariseau	Stumpf
Day	Kierlin	McGinn	Reiter	Vickerman
Dille	Kleis	Michel	Robling	Wergin
Fischbach	Knutson	Moua	Rosen	Wiger
Frederickson	Koering	Nienow	Ruud	
Gaither	Langseth	Olson	Scheid	
Hann	Larson	Ortman	Senjem	

The motion did not prevail.

The question recurred on the adoption of the Scheid motion.

The roll was called, and there were yeas 43 and nays 22, as follows:

Those who voted in the affirmative were:

Bachmann	Johnson, D.J.	Limmer	Ortman	Senjem
Belanger	Kierlin	Marko	Ourada	Solon
Day	Kleis	McGinn	Pariseau	Sparks
Dille	Knutson	Metzen	Reiter	Stumpf
Fischbach	Koering	Michel	Robling	Vickerman
Frederickson	Kubly	Moua	Rosen	Wergin
Gaither	Langseth	Neuville	Ruud	Wiger
Hann	Larson	Nienow	Sams	
Johnson, D.E.	LeClair	Olson	Scheid	

Those who voted in the negative were:

Anderson	Cohen	Kelley	Pogemiller	Skoglund
Bakk	Dibble	Lourey	Ranum	Tomassoni
Berglin	Foley	Marty	Rest	
Betzold	Higgins	Murphy	Saxhaug	
Chaudhary	Hottinger	Pappas	Skoe	

The motion prevailed.

S.F. No. 872: A bill for an act relating to civil actions; allocating joint and several liability in certain civil actions; amending Minnesota Statutes 604.02, subdivision 1.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 43 and nays 22, as follows:

Those who voted in the affirmative were:

Bachmann	Belanger	Day	Dille	Fischbach
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Frederickson	Koering	Metzen	Pariseau	Solon
Gaither	Kubly	Michel	Reiter	Sparks
Hann	Langseth	Moua	Robling	Stumpf
Johnson, D.E.	Larson	Neuville	Rosen	Vickerman
Johnson, D.J.	LeClair	Nienow	Ruud	Wergin
Kierlin	Limmer	Olson	Sams	Wiger
Kleis	Marko	Ortman	Scheid	
Knutson	McGinn	Ourada	Senjem	

Those who voted in the negative were:

Anderson	Cohen	Kelley	Pogemiller	Skoglund
Bakk	Dibble	Lourey	Ranum	Tomassoni
Berglin	Foley	Marty	Rest	
Betzold	Higgins	Murphy	Saxhaug	
Chaudhary	Hottinger	Pappas	Skoe	

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

RECONSIDERATION

Having voted on the prevailing side, Senator Kleis moved that the vote whereby S.F. No. 872 was passed by the Senate on May 13, 2003, be now reconsidered.

The question was taken on the adoption of the motion.

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

Those who voted in the affirmative were:

Anderson	Dibble	Lourey	Ranum	Tomassoni
Berglin	Foley	Moua	Rest	
Betzold	Higgins	Pappas	Skoe	
Cohen	Kelley	Pogemiller	Skoglund	

Those who voted in the negative were:

Bachmann	Johnson, D.E.	Limmer	Ourada	Solon
Bakk	Johnson, D.J.	Marko	Pariseau	Sparks
Belanger	Kierlin	McGinn	Reiter	Stumpf
Chaudhary	Kleis	Metzen	Robling	Vickerman
Day	Knutson	Michel	Rosen	Wergin
Dille	Koering	Murphy	Ruud	Wiger
Fischbach	Kubly	Neuville	Sams	
Frederickson	Langseth	Nienow	Saxhaug	
Gaither	Larson	Olson	Scheid	
Hann	LeClair	Ortman	Senjem	

The motion did not prevail.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Hottinger, Chair of the Committee on Rules and Administration, designated S.F. No. 190 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 190: A bill for an act relating to retirement; various retirement plans; allowing the Hennepin county administrator to approve certain Hennepin county supplemental retirement participant requests; providing for an increase in the compensation for the executive secretary of the Minneapolis firefighters relief association; providing an ad hoc postretirement adjustment to Eveleth police and fire trust fund retirees and survivors; providing for continued retirement coverage for the Red Wing learning center staff; modifying the Minneapolis firefighters relief

association death refund provision; authorizing a coverage election change by a certain Bemidji city council member; providing retroactive coverage under the qualified part-time teacher program for certain Minneapolis and Duluth teachers; including St. Paul port authority employees in PERA-general coverage; allowing prior service credit purchases by certain St. Paul port authority employees; extending the sunset of various service credit purchase provisions to 2003; providing an expiration date for a prior MTRFA service credit purchase; authorizing the Minnesota state colleges and universities system to formulate an early retirement incentive program; providing various local public employee and state government executive and legislative branch early retirement incentives; providing enhanced teachers retirement association extended leave provisions; extending supplemental benefit plan status to local plumbers' and pipefitters' union pension plans; correcting a mistake in the flexible service pension maximum financial requirements for monthly benefit volunteer firefighter relief associations; providing an additional deferred volunteer firefighter service pensioner interest payment option; revising ratifying monthly benefit service pension amounts for the White Bear Lake fire department relief association; authorizing a former St. Louis Park police officer to purchase service credit covered by a local police relief association; authorizing purchases of service credit for unreported sabbatical leaves; authorizing a refund to a state employee on a medical leave; amending Minnesota Statutes 2002, sections 122A.46, subdivision 9; 353.01, subdivisions 2d, 6; 353.028, subdivision 2; 353D.01, subdivision 2; 353D.02, by adding a subdivision; 353F.02, subdivision 4; 354.094, subdivision 1; 356.24, subdivision 1; 356.55, subdivision 7; 383B.49; 383B.493; 423C.03, subdivision 3; 423C.08; 424A.02, subdivision 3; Laws 1999, chapter 222, article 16, section 16, as amended; Laws 2000, chapter 461, article 4, section 4; Laws 2000, chapter 461, article 12, section 20, as amended; Laws 2000, chapter 461, article 19, section 6; Laws 2001, First Special Session chapter 10, article 6, section 21, as amended; proposing coding for new law in Minnesota Statutes, chapter 136F; repealing Minnesota Statutes 2002, sections 354.541; 354A.109.

Senator Betzold moved to amend S.F. No. 190 as follows:

Page 3, line 12, delete "was not" and insert "had not been"

Page 10, line 21, delete "was not" and insert "had not been"

Page 17, line 4, before "A" insert "From the day following final enactment to June 30, 2005,"

Page 17, line 7, delete the first "such" and insert "the" and delete "Any such" and insert "The"

Page 17, line 22, before "The" insert "From the day following final enactment to June 30, 2005,"

Page 17, line 25, delete "Any such" and insert "The"

Page 18, line 13, delete "(a)"

Page 18, delete lines 16 and 17

The motion prevailed. So the amendment was adopted.

Senator Pogemiller moved to amend S.F. No. 190 as follows:

Page 41, line 13, strike "30" and insert "50"

Page 41, lines 14 to 20, delete the new language

Page 41, line 22, delete the new language and reinstate the stricken language

The motion prevailed. So the amendment was adopted.

Senator Johnson, D.E. moved to amend S.F. No. 190 as follows:

Page 38, delete section 3 and insert:

"Sec. 3. [STUDY OF STATEWIDE LUMP SUM VOLUNTEER FIREFIGHTER RETIREMENT PLAN; CREATION OF TASK FORCE.]

Subdivision 1. [TASK FORCE MEMBERSHIP.] (a) A statewide volunteer firefighter retirement plan study task force is created.

(b) The task force members are:

(1) four members appointed by the president of the Minnesota area relief association coalition;

(2) four members appointed by the president of the Minnesota state fire department association;

(3) four members appointed by the president of the Minnesota state fire chiefs association;

(4) four members appointed by the board of directors of the League of Minnesota Cities;

(5) two members appointed by the board of directors of the Insurance Federation of Minnesota;

(6) two members appointed by the board of directors of the Minnesota Association of Farm Mutual Insurance Companies; and

(7) the Minnesota state auditor or the auditor's designee.

(c) Appointments must be made on or before July 1, 2003. If the appointment is not made in a timely way, or if there is a vacancy, the Minnesota state auditor shall appoint the task force member or the replacement member.

(d) The chair of the task force will be selected by the task force.

(e) Staffing services for the task force must be provided by the management analysis division.

Subd. 2. [TASK FORCE DUTIES.] (a) The task force shall conduct fact finding regarding the creation of a voluntary statewide firefighter retirement plan.

(b) To determine the design and components of the potential statewide plan, the task force shall contract with the management analysis division of the department of administration to conduct a statewide survey of current volunteer firefighter relief associations on the topic and shall conduct a series of public meetings throughout the state in which comments from volunteer firefighter relief association members would be obtained.

(c) The task force shall retain an actuary to study and recommend a benefit level or levels of a potential statewide volunteer firefighter retirement plan and the funding requirements for the plan.

(d) The task force shall recommend the investment vehicle or vehicles to be utilized by the plan, the administration and corporate governance structure of the plan, the incentives needed to formulate the plan, the limitations applicable to the plan, and the state resources needed to be dedicated to the plan.

Subd. 3. [REPORT.] The task force shall prepare a report detailing its findings about a potential statewide volunteer firefighter retirement plan. The report is due on January 15, 2005, and must be filed with the legislative reference library; the chair of the legislative commission on pensions and retirement; the chair of the state and local government operations committee of the senate; the chair of the state government budget division of the senate finance committee; the chair of the governmental operations and veterans affairs policy committee of the house of representatives; and the chair of the state government finance committee of the house of representatives.

Subd. 4. [DATA DISCLOSURE.] In performing their duties under this section, the task force, the management analysis division of the state department of administration, and the consulting actuary retained by the task force shall have access to relevant data on volunteer firefighter relief associations held by the office of the state auditor and must comply with the relevant provisions of Minnesota Statutes, chapter 13.

Subd. 5. [LOAN.] To pay for the activities of the task force under this section, the cost of retaining an actuary, and the cost of administrative support provided by the state auditor and the commissioner of administration, the commissioner of revenue shall lend to the state auditor an amount equal to 1.95 percent of the state fire aid available for distribution to municipalities as calculated under Minnesota Statutes, section 69.021, subdivision 5, minus the amount to be distributed to cities of the first class and Burnsville, Cloquet, Faribault, Mankato, Moorhead, Richfield, Rochester, St. Cloud, St. Louis Park, South St. Paul, Virginia, and West St. Paul. The amount distributed to other eligible municipalities must be decreased proportionally in an amount equal to the amount of the loan. The loan must be repaid no later than June 30, 2005, by any statewide volunteer retirement plan established in response to the recommendations of the task force or, if no plan is established, by the municipalities receiving a distribution of state fire aid other than those listed in this subdivision.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 38, after the semicolon, insert "creating a task force to study the advantages and disadvantages of creating a statewide volunteer firefighter retirement plan;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Marko	Ranum	Solon
Bakk	Higgins	Marty	Rest	Sparks
Berglin	Johnson, D.E.	McGinn	Sams	Stumpf
Betzold	Kelley	Metzen	Saxhaug	Tomassoni
Chaudhary	Kubly	Moua	Scheid	Vickerman
Cohen	Langseth	Pappas	Skoe	Wiger
Dibble	Lourey	Pogemiller	Skoglund	

Those who voted in the negative were:

Bachmann	Hann	LeClair	Ortman	Ruud
Belanger	Kierlin	Limmer	Ourada	Senjem
Day	Kleis	Michel	Pariseau	Wergin
Fischbach	Knutson	Neuville	Reiter	
Frederickson	Koering	Nienow	Robling	
Gaither	Larson	Olson	Rosen	

The motion prevailed. So the amendment was adopted.

Senator Solon moved to amend S.F. No. 190 as follows:

Pages 49 and 50, delete section 2 and insert:

"Sec. 2. [DULUTH TEACHERS RETIREMENT FUND ASSOCIATION; AUTHORIZATION TO MAKE PAYMENT OF EMPLOYEE AND EMPLOYER CONTRIBUTIONS.]

(a) Notwithstanding any provision of law to the contrary, an eligible person described in paragraph (b) is authorized to pay employee and employer contributions to the Duluth teachers retirement fund association for the period described in paragraph (c).

(b) An eligible person is a person who:

(1) was born on October 13, 1949;

(2) was initially employed by independent school district No. 709, Duluth, on December 4, 1972;

(3) is a current employee of independent school district No. 709, Duluth, and is a current member of the Duluth teachers retirement fund association;

(4) was employed on a part-time basis by independent school district No. 709, Duluth, for the 2001-2002 school year; and

(5) was not notified of the right to pay employee and employer contributions to the Duluth teachers retirement fund association under Minnesota Statutes, section 354A.094, while employed on a part-time basis for the 2001-2002 school year.

(c) The purchase period is September 4, 2001, to June 7, 2002.

(d) The payment amount shall be the product of the following:

(1) the total of the employee and employer contribution rates of the Duluth teachers retirement fund association prescribed in Minnesota Statutes, section 354A.12; and

(2) the salary amount equal to the difference between the salary the eligible person would have earned from independent school district No. 709, Duluth, had the eligible person worked on a full-time basis during the 2001-2002 school year and the total salary the eligible person actually earned from independent school district No. 709, Duluth, during the 2001-2002 school year.

(e) Interest is payable on the payment amount in paragraph (d) using the preretirement interest rate assumption specified in Minnesota Statutes, section 356.215, subdivision 8, compounded annually, accruing from June 30, 2002, to the date the payment is received in the office of the Duluth teachers retirement fund association.

(f) Credit for the higher salary for the purchase period must be granted by the Duluth teachers retirement fund association to the eligible person upon receipt of payment of the employee and employer contribution amount.

(g) Notwithstanding Minnesota Statutes, section 354A.094, subdivision 4, independent school district No. 709, Duluth, is not permitted to pay any portion of the payment amount.

(h) The authority to make payment of employee and employer contributions expires 60 days after enactment or on the date of the termination of active service by the eligible person, whichever occurs earlier."

The motion prevailed. So the amendment was adopted.

Senator Ruud moved to amend S.F. No. 190 as follows:

Page 50, after line 21, insert:

"Sec. 5. [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION COVERAGE TERMINATION.]

Subdivision 1. [ELIGIBILITY.] (a) An eligible individual specified in paragraph (b) is authorized to apply for a retirement annuity, provided necessary age and service requirements are met, under Minnesota Statutes, section 353.29 or 353.30, as applicable, as further specified under subdivision 2.

(b) an eligible individual is an individual who:

(1) was employed as a Beltrami county employee and became a member of the public employees retirement association general plan due to that service on June 1, 1991;

(2) was elected to the Bemidji city council and took office in January 2001;

(3) elected under law then applicable to have public employees retirement association general plan coverage for the city council elected service; and

(4) terminated Beltrami county employment but is unable to commence receipt of a public employees retirement association general plan annuity because of the continuing public employees retirement association general plan coverage for the elected city council service.

Subd. 2. [RETIREMENT ANNUITY.] (a) Notwithstanding an irrevocable election to participate in the public employees retirement association general plan as an elected official and continuation of elected service, an eligible individual under subdivision 1, paragraph (b), is deemed to have terminated membership under Minnesota Statutes, section 353.01, subdivision 11b, following the termination of the Beltrami county employment.

(b) If the requirements of paragraph (a) are satisfied, the eligible individual may apply for a retirement annuity under Minnesota Statutes, section 353.29 or 353.30, as applicable. In computing the annuity, the public employees retirement association must exclude salary due to the elected Bemidji city council service. Deferred annuity augmentation under Minnesota Statutes, section 353.71, applies to this annuity.

Subd. 3. [TREATMENT OF BEMIDJI CITY COUNCIL CONTRIBUTIONS TO THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION.] (a) All employee contributions to the public employees retirement association coordinated plan by an eligible individual in subdivision 1, paragraph (b), due to the elected Bemidji city council service, and all corresponding employer contributions, must be determined.

(b) An eligible individual under subdivision 1, paragraph (b), must elect, within one year of the effective date of this section or upon termination of elective service, whichever is earlier, a refund under Minnesota Statutes, section 353.34, subdivision 2, of employee contributions determined under paragraph (a), or coverage by the public employees defined contribution plan under Minnesota Statutes, chapter 353D, as further specified in paragraph (c).

(c) If public employee defined contribution plan coverage is elected under paragraph (b), contributions to that plan commence as of the first day of the pay period following this election, and accumulated employee and employer contributions determined under paragraph (a) must be transferred with six percent annual interest to an account for the eligible individual in the public employees defined contribution plan.

(d) If no election is made by an eligible individual by the required date in paragraph (b), the individual is assumed to have elected the refund indicated in paragraph (b).

(e) Upon an election under paragraph (b), or a mandatory refund under paragraph (d), all rights in the public employees retirement association coordinated plan due to elected Bemidji city council service are forfeited and may not be reestablished."

Page 50, line 23, delete "4" and insert "5"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Robling moved to amend S.F. No. 190 as follows:

Page 14, lines 8 and 15, delete "shall" and insert "may"

The motion prevailed. So the amendment was adopted.

S.F. No. 190 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 60 and nays 3, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Kierlin Murphy Robling

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

Senator Betzold moved that S.F. No. 190 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Hottinger, Chair of the Committee on Rules and Administration, designated S.F. No. 850 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 850: A bill for an act relating to natural resources; restricting the use of off-highway vehicles on state land; providing civil citation authority; modifying the disposition of certain fees; modifying registration and operating requirements for certain recreational vehicles; providing for enforcement; modifying motorized trail grants-in-aid; appropriating money; amending Minnesota Statutes 2002, sections 84.788, subdivisions 2, 3, by adding a subdivision; 84.791, subdivisions 1, 2, by adding a subdivision; 84.794, subdivision 2; 84.798, by adding a subdivision; 84.803, subdivision 2; 84.92, subdivision 8; 84.922, by adding a subdivision; 84.925, subdivision 1, by adding a subdivision; 84.926; 84.927, subdivision 2; 84.928, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 84.

Senator Ruud moved to amend S.F. No. 850 as follows:

Page 17, line 13, after the comma, insert "or if necessary within the ditch area of the road,"

The motion prevailed. So the amendment was adopted.

Senator Marty moved to amend S.F. No. 850 as follows:

Page 16, line 35, after the period, insert "The road authority may provide approval for all or part of the public road right-of-way within its jurisdiction at a single hearing."

The motion prevailed. So the amendment was adopted.

Senator Dille moved to amend S.F. No. 850 as follows:

Pages 16 and 17, delete section 24 and insert:

"Sec. 24. Minnesota Statutes 2002, section 84.928, subdivision 1, is amended to read:

Subdivision 1. [OPERATION ON ROADS AND RIGHTS-OF-WAY.] (a) Unless otherwise allowed in sections 84.92 to 84.929, a person shall not operate an all-terrain vehicle in this state along or on the roadway, shoulder, or inside bank or slope of a public road right-of-way of a trunk, county state aid, or county highway other than in the ditch or the outside bank or slope of a trunk, county state-aid, or county highway in this state unless otherwise allowed in sections 84.92 to 84.929 unless prohibited under paragraph (b).

(b) A road authority as defined under section 160.02, subdivision 25, may after a public hearing restrict the use of all-terrain vehicles in the ditch or outside bank or slope of a public road right-of-way under its jurisdiction.

(c) The commissioner may limit the use of a right-of-way for a period of time if the commissioner determines that use of the right-of-way causes:

- (1) degradation of vegetation on adjacent public property;
- (2) siltation of waters of the state;
- (3) impairment or enhancement to the act of taking game; or
- (4) a threat to safety of the right-of-way users or to individuals on adjacent public property.

~~(b)~~ (d) A person may operate an all-terrain vehicle registered for private use and used for agricultural purposes on a public road right-of-way of a trunk, county state-aid, or county highway in this state if the all-terrain vehicle is operated on the extreme right-hand side of the road, and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions.

~~(e)~~ (e) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in the agricultural zone unless the vehicle is being used exclusively as transportation to and from work on agricultural lands. This paragraph does not apply to an agent or employee of a road authority, as defined in section 160.02, subdivision 25, or the department of natural resources when performing or exercising official duties or powers.

~~(d)~~ (f) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of the right-of-way and in the same direction as the highway traffic on the nearest lane of the adjacent roadway.

~~(e)~~ (g) A person shall not operate an all-terrain vehicle at any time within the right-of-way of an interstate highway or freeway within this state."

CALL OF THE SENATE

Senator Marty imposed a call of the Senate for the balance of the proceedings on S.F. No. 850. The Sergeant at Arms was instructed to bring in the absent members.

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

Senator Stumpf moved to amend S.F. No. 850 as follows:

Page 16, line 34, after "right-of-way" insert "south of U.S. Highway 2"

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

Senator Marty moved to amend S.F. No. 850 as follows:

Page 3, after line 1, insert:

"[EFFECTIVE DATE.] This section is effective July 1, 2005."

Page 8, line 11, delete "2004" and insert "2005"

Page 10, line 29, delete "2004" and insert "2005"

Page 14, line 27, delete "2004" and insert "2005"

Page 17, after line 33, insert:

"**[EFFECTIVE DATE.]** This section is effective June 1, 2004."

Page 18, line 11, after "forests" insert "on a forest-by-forest basis"

Page 19, after line 28, insert:

"**[EFFECTIVE DATE.]** This section is effective the day following final enactment."

Page 21, delete section 29

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Bakk moved to amend S.F. No. 850 as follows:

Pages 18 and 19, delete section 26 and insert:

"Sec. 26. **[MOTORIZED RECREATIONAL VEHICLE USE; ENVIRONMENTAL REVIEW.]**

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the following terms have the meaning given them.

(b) "Motorized recreational vehicle" means:

(1) an off-highway motorcycle, as defined in Minnesota Statutes, section 84.787, subdivision 7;

(2) an off-road vehicle, as defined in Minnesota Statutes, section 84.797, subdivision 7; or

(3) an all-terrain vehicle, as defined in Minnesota Statutes, section 84.92, subdivision 8.

(c) "Motorized recreational vehicle sports park" means an area that is posted and designated to permit off-trail use of motorized recreational vehicles.

(d) "Motorized trail" means a trail where the use of motorized recreational vehicles is allowed.

Subd. 2. [MANDATORY ENVIRONMENTAL ASSESSMENT WORKSHEET.] (a) Until the earlier of January 1, 2006, or when rules are adopted under subdivision 4, an environmental assessment worksheet according to Minnesota Statutes, section 116D.04, and rules of the environmental quality board is required for:

(1) the construction of a new motorized trail greater than 25 continuous miles in length;

(2) the conversion of a nonmotorized trail system to a motorized trail system; or

(3) the development of a motorized recreational vehicle sports park.

(b) The local government unit is the responsible governmental unit for review, unless the project is to be carried out by the department of natural resources, in which case the department is the responsible governmental unit as provided for in the rules of the environmental quality board.

Subd. 3. [ENVIRONMENTAL REVIEW EXEMPTION.] Until the earlier of January 1, 2006, or when rules are adopted under subdivision 4, the following actions are exempt from environmental review under Minnesota Statutes, section 116D.04, and rules of the environmental quality board:

(1) the formal designation of a motorized trail that is lawfully used by motorized recreational vehicles at the time of designation;

(2) the rerouting of less than one continuous mile of motorized trail for safety considerations or to avoid sensitive areas; or

(3) the designation of existing public or forest roads for motorized recreational vehicle use.

Subd. 4. [RULEMAKING.] By January 1, 2006, the environmental quality board shall adopt rules providing for threshold levels for environmental review on recreational trails.

Subd. 5. [ENVIRONMENTAL RULES APPLY.] After January 1, 2006, or when rules are adopted under subdivision 4, trails designated under subdivision 3 are subject to environmental review rules adopted by the environmental quality board.

Subd. 6. [BEST MANAGEMENT PRACTICES.] By January 1, 2004, the commissioner of natural resources shall adopt best management practices for development and maintenance of motorized recreational trails. By January 1, 2006, the commissioner shall review all trails designated under the interim exemptions in subdivision 3 for compliance with best management practices and shall ensure that best management practices are implemented within two years of trail designation.

Subd. 7. [FOREST LAND RECLASSIFICATION.] The commissioner shall complete a review of the forest classification status on a forest-by-forest basis as part of the off-highway vehicle trail designation process in accordance with the process and criteria under Minnesota Rules, part 6100.1950. The state forest land to be reviewed is that state forest land area that is classified as managed for the purpose of motor vehicle use under rules of the commissioner. Minnesota Statutes, section 84.777, subdivision 1, paragraph (a), does not apply to a state forest until the commissioner completes the review and designations of trails under this section."

Correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 38, as follows:

Those who voted in the affirmative were:

Bachmann	Fischbach	Limmer	Rosen	Sparks
Bakk	Hann	Metzen	Sams	Stumpf
Chaudhary	Koering	Moua	Saxhaug	Tomassoni
Day	Langseth	Murphy	Scheid	Vickerman
Dille	LeClair	Nienow	Skoe	Wergin

Those who voted in the negative were:

Anderson	Gaither	Kubly	Ortman	Robling
Belanger	Higgins	Larson	Ourada	Ruud
Berglin	Hottinger	Lourey	Pappas	Senjem
Betzold	Johnson, D.E.	Marty	Pariseau	Skoglund
Cohen	Kelley	McGinn	Pogemiller	Solon
Dibble	Kierlin	Michel	Ranum	Wiger
Foley	Kleis	Neuville	Reiter	
Frederickson	Knutson	Olson	Rest	

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

Senator Nienow moved to amend S.F. No. 850 as follows:

Page 16, line 33, delete "a"

The motion prevailed. So the amendment was adopted.

S.F. No. 850 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 52 and nays 11, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Nienow	Rosen
Bachmann	Gaither	Larson	Olson	Ruud
Belanger	Hann	LeClair	Ortman	Sams
Berglin	Higgins	Limmer	Ourada	Scheid
Betzold	Hottinger	Lourey	Pappas	Senjem
Chaudhary	Johnson, D.E.	Marty	Pariseau	Skoglund
Cohen	Kelley	McGinn	Pogemiller	Solon
Dibble	Kierlin	Michel	Ranum	Wiger
Dille	Kleis	Moua	Reiter	
Fischbach	Knutson	Murphy	Rest	
Foley	Kubly	Neuville	Robling	

Those who voted in the negative were:

Bakk	Metzen	Skoe	Stumpf	Vickerman
Day	Saxhaug	Sparks	Tomassoni	Wergin
Koering				

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Rest moved that S.F. No. 370, No. 60 on General Orders, be stricken and returned to its author. The motion prevailed.

RECONSIDERATION

Having voted on the prevailing side, Senator Murphy moved that the vote whereby S.F. No. 794 was passed by the Senate on May 12, 2003, be now reconsidered. The motion prevailed. So the vote was reconsidered.

S.F. No. 794: A bill for an act relating to energy; amending the definition of a radioactive waste management facility; increasing funding for renewable development; specifying the applicability of the renewable development fund; authorizing sufficient dry cask storage capacity to allow the nuclear reactors at the Prairie Island nuclear generation facility to operate until the end of their current licenses; modifying duties of the legislative energy task force; amending Minnesota Statutes 2002, sections 116C.71, subdivision 7; 116C.779; 216B.1645, subdivision 2; 216B.1691, subdivisions 1, 2; 216B.241, subdivision 1b; 216B.2424, subdivision 5; 216C.051, subdivisions 2, 3, 6, 9, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116C; 216B; repealing Minnesota Statutes 2002, section 216C.051, subdivisions 1, 4, 5.

RECONSIDERATION

Having voted on the prevailing side, Senator Murphy moved that the vote whereby the twelfth Murphy amendment to S.F. No. 794 was adopted on May 12, 2003, be now reconsidered. The motion prevailed. So the vote was reconsidered.

Senator Murphy withdrew his twelfth amendment.

Senator Murphy then moved to amend S.F. No. 794 as follows:

Page 3, line 22, delete "(a)"

Page 3, line 27, after the period, insert "An authorization required by this subdivision is not effective until ratified by a law that contains no other provision than the ratification required by this subdivision. Legislative ratification is not required for that part of a certificate of need that authorizes the fabrication of spent fuel storage casks."

Page 3, delete lines 28 to 36

Page 4, delete lines 1 to 4

Page 4, after line 15, insert:

"Sec. 4. Minnesota Statutes 2002, section 216B.095, is amended to read:

216B.095 [DISCONNECTION DURING COLD WEATHER.]

The commission shall amend its rules governing disconnection of residential utility customers who are unable to pay for utility service during cold weather to include the following:

(1) coverage of customers whose household income is less than 50 percent of the state median income;

(2) a requirement that a customer who pays the utility at least ten percent of the customer's income or the full amount of the utility bill, whichever is less, in a cold weather month cannot be disconnected during that month. The customer's income means the actual monthly income of the customer or the average monthly income of the customer computed on an annual calendar year, whichever is less, and does not include any amount received for energy assistance;

(3) that the ten percent figure in clause (2) must be prorated between energy providers proportionate to each provider's share of the customer's total energy costs where the customer receives service from more than one provider;

(4) verification of income by the local energy assistance provider or the utility, unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance, that uses income eligibility in an amount at or below the income eligibility in clause (1);

(5) a requirement that the customer receive referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills; and

(6) a requirement that customers who have demonstrated an inability to pay on forms provided for that purpose by the utility, and who make reasonably timely payments to the utility under a payment plan that considers the financial resources of the household, cannot be disconnected from utility service from October 15 through April 15. A customer who is receiving energy assistance is deemed to have demonstrated an inability to pay.

For the purposes of this section, disconnection includes a service or load limiter or any device that limits or interrupts electric service in any way.

Sec. 5. Minnesota Statutes 2002, section 216B.097, is amended by adding a subdivision to read:

Subd. 4. [APPLICATION TO SERVICE LIMITERS.] For the purposes of this section, disconnection includes a service or load limiter or any device that limits or interrupts electric service in any way."

Page 12, after line 5, insert:

"Sec. 10. Minnesota Statutes 2002, section 216B.243, subdivision 3b, is amended to read:

Subd. 3b. [NUCLEAR POWER PLANT; NEW CONSTRUCTION PROHIBITED; RELICENSING.] (a) The commission may not issue a certificate of need for the construction of a new nuclear-powered electric generating plant.

(b) Any certificate of need for additional storage of spent nuclear fuel for a facility seeking a license extension shall address the impacts of continued operations over the period for which approval is sought."

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. 794 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 39 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Foley	McGinn	Rest	Solon
Bakk	Gaither	Metzen	Robling	Sparks
Belanger	Hottinger	Moua	Rosen	Stumpf
Betzold	Kelley	Murphy	Ruud	Tomassoni
Chaudhary	Kleis	Nienow	Sams	Vickerman
Cohen	Knutson	Ourada	Saxhaug	Wergin
Dille	Kubly	Pappas	Scheid	Wiger
Fischbach	Langseth	Reiter	Skoe	

Those who voted in the negative were:

Bachmann	Hann	LeClair	Olson	Senjem
Berglin	Higgins	Limmer	Ortman	Skoglund
Day	Kierlin	Marty	Pariseau	
Dibble	Koering	Michel	Pogemiller	
Frederickson	Larson	Neuville	Ranum	

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

MEMBERS EXCUSED

Senator Hann was excused from the Session of today from 2:00 to 2:15 p.m. Senator Kiscaden was excused from the Session of today at 3:00 p.m. Senator Reiter was excused from the Session of today from 6:25 to 7:00 p.m. Senator Anderson was excused from the Session of today from 8:00 to 8:45 p.m. Senator Marko was excused from the Session of today at 8:20 p.m. Senator Johnson, D.E. was excused from the Session of today at 9:30 p.m.

ADJOURNMENT

Senator Hottinger moved that the Senate do now adjourn until 11:00 a.m., Wednesday, May 14, 2003. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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