

STATE OF MINNESOTA

# Journal of the Senate

EIGHTY-THIRD LEGISLATURE

SEVENTY-NINTH DAY

St. Paul, Minnesota, Thursday, March 25, 2004

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

## CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. John Estrem.

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

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

The President declared a quorum present.

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

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 19, 2004

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. 2182, 1799 and 1814.

Sincerely,  
Tim Pawlenty, Governor

March 22, 2004

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 2004 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 2004	Date Filed 2004
	480	137	2:30 p.m. March 22	March 22
2182		138	6:52 p.m. March 19	March 22
1799		139	6:57 p.m. March 19	March 22
1814		140	7:03 p.m. March 19	March 22

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. Nos. 1745, 1748 and 2498.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 22, 2004

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1710, 2878, 1836, 1978, 2521, 2930, 2551, 2207, 2296, 2554, 2906 and 3005.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 22, 2004

#### FIRST READING OF HOUSE BILLS

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

**H.F. No. 1710:** A bill for an act relating to employee benefits; providing that Minnesota Humanities Commission employees are eligible for certain state benefit programs; amending Minnesota Statutes 2003 Supplement, section 43A.24, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2337, now on the Consent Calendar.

**H.F. No. 2878:** A bill for an act relating to state observances; designating Dr. Norman E. Borlaug World Food Prize Day; proposing coding for new law in Minnesota Statutes, chapter 10.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2537, now on the Consent Calendar.

**H.F. No. 1836:** A bill for an act relating to the environment; clarifying permitting for mineral tailing deposition into mine pits; amending Minnesota Statutes 2002, section 116.0717.

Referred to the Committee on Environment and Natural Resources.

**H.F. No. 1978:** A bill for an act relating to motor carriers; making technical corrections to conform state law to amended federal regulations relating to truck driver hours; amending Minnesota Statutes 2002, sections 221.011, subdivision 6; 221.0314, subdivision 9.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1910.

**H.F. No. 2521:** A bill for an act relating to lawful gambling; making various changes to lawful gambling provisions; amending Minnesota Statutes 2002, sections 349.15, subdivision 2; 349.163, subdivision 9; 349.1711, by adding a subdivision; 349.18, subdivision 2; 349.19, subdivision 5; 349.2127, subdivision 8; Minnesota Statutes 2003 Supplement, sections 349.167, subdivisions 2, 4; 349.18, subdivision 1; 349.211, subdivision 1; repealing Minnesota Statutes 2002, section 349.1711, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2435, now on General Orders.

**H.F. No. 2930:** A bill for an act relating to state government; requiring flags in the Capitol area to be flown at half-staff following death of a public safety officer or Minnesota military personnel killed in the line of duty; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on State and Local Government Operations.

**H.F. No. 2551:** A bill for an act relating to commerce; regulating safe deposit companies; modifying collateral requirements applicable to depositories of local public funds; amending Minnesota Statutes 2002, section 55.15; Minnesota Statutes 2003 Supplement, section 118A.03, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2418, now on General Orders.

**H.F. No. 2207:** A bill for an act relating to health; clarifying that individuals may participate in pharmaceutical manufacturer's rebate programs; amending Minnesota Statutes 2002, section 62J.23, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2150, now on General Orders.

**H.F. No. 2296:** A bill for an act relating to public safety; providing that a peace officer may operate any vehicle or combination of vehicles; amending Minnesota Statutes 2002, section 171.02, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2395.

**H.F. No. 2554:** A bill for an act relating to insurance; health and accident; regulating certain dependent coverage; amending Minnesota Statutes 2002, sections 62A.042; 62C.14, subdivision 14.

Referred to the Committee on Commerce.

**H.F. No. 2906:** A bill for an act relating to local government; increasing the efficiency of payroll processing; authorizing the use of electronic time recording systems; amending Minnesota Statutes 2002, section 412.271, subdivision 2.

Referred to the Committee on State and Local Government Operations.

**H.F. No. 3005:** A bill for an act relating to elections; changing times for voting on changing county seats; amending Minnesota Statutes 2002, section 372.07.

Referred to the Committee on Elections.

### REPORTS OF COMMITTEES

Senator Johnson, D.E. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2145, 2819, 2894, 1398, 1943 and the report pertaining to appointments. The motion prevailed.

#### **Senator Betzold from the Committee on Judiciary, to which was re-referred**

**S.F. No. 2242:** A bill for an act relating to health; clarifying the implementation of a birth defects information system; authorizing rulemaking; providing criminal penalties; amending Minnesota Statutes 2002, sections 13.3806, by adding a subdivision; 144.2215; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 2, line 32, delete "under" and insert "in good faith in compliance with"

Page 3, line 1, after "informed" insert "by the commissioner at the time of the initial data collection" and after "removal" insert "at any time"

Page 3, line 3, before "form" insert "written"

Page 3, delete lines 4 and 5

Amend the title as follows:

Page 1, lines 3 and 4, delete "authorizing rulemaking;"

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

#### **Senator Betzold from the Committee on Judiciary, to which was referred**

**S.F. No. 2933:** A bill for an act relating to civil actions; regulating liability; amending Minnesota Statutes 2002, section 604.01, subdivision 1; Minnesota Statutes 2003 Supplement, section 604.02, subdivision 1.

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

#### **Senator Betzold from the Committee on Judiciary, to which was re-referred**

**S.F. No. 2437:** A bill for an act relating to farm products; regulating liens and financing statements; establishing filing requirements; setting fees; amending Minnesota Statutes 2002, sections 336A.01; 336A.02; 336A.03; 336A.04; 336A.05; 336A.06; 336A.07; 336A.08; 336A.09; 336A.10; 336A.11, subdivisions 1, 2; 336A.12; 336A.13; proposing coding for new law in Minnesota Statutes, chapter 336A; repealing Minnesota Rules, parts 8265.0100; 8265.0200; 8265.0300; 8265.0400; 8265.0500; 8265.0600.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

#### **Senator Betzold from the Committee on Judiciary, to which was re-referred**

**S.F. No. 2462:** A bill for an act relating to real property; housing and redevelopment authority

residential properties; preserving housing authority ability to lease townhome and condominium properties to eligible tenants; amending Minnesota Statutes 2002, section 469.018, by adding a subdivision.

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

Page 1, line 24, after the comma, insert "or enforcing a prohibition against leasing residential units that was effective before the authority owned the unit,"

Page 2, line 1, delete "title that" and insert "for which title"

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

#### **Senator Betzold from the Committee on Judiciary, to which was re-referred**

**S.F. No. 1206:** A bill for an act relating to health; providing for the prevention of lead poisoning; requiring certain assessments; providing for enforcement; creating a lead-safe housing registry; amending Minnesota Statutes 2002, sections 144.9501, by adding a subdivision; 144.9502, subdivision 3, by adding a subdivision; 144.9503, subdivision 7; 144.9504, subdivision 2; 144.9505, subdivision 1b; 144.9509, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Pages 1 and 2, delete section 1

Page 3, delete section 3

Page 6, line 23, delete the new language and reinstate the stricken language

Pages 6 to 12, delete sections 6 to 10

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to health; providing for the prevention of lead poisoning; requiring certain assessments; amending Minnesota Statutes 2002, sections 144.9502, subdivision 3; 144.9503, subdivision 7; 144.9504, subdivision 2."

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

#### **Senator Wiger from the Committee on Elections, to which was re-referred**

**S.F. No. 658:** A bill for an act relating to elections; requiring distribution of voter registration forms to certain students; amending Minnesota Statutes 2002, section 201.1611, subdivision 1.

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

#### **Senator Wiger from the Committee on Elections, to which was re-referred**

**S.F. No. 452:** A bill for an act relating to elections; eliminating the requirement for approval by the county auditor of an election conducted by mail; amending Minnesota Statutes 2002, section 204B.46.

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

#### **Senator Wiger from the Committee on Elections, to which was referred**

**S.F. No. 2172:** A bill for an act proposing an amendment to the Minnesota Constitution, article VII, section 6; changing the age of eligibility to hold elective office from 21 to 18.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

**Senator Lourey from the Committee on Health and Family Security, to which was referred**

**S.F. No. 2839:** A bill for an act relating to human services; exempting certain refugees and asylees from participating in the diversionary work program; amending Minnesota Statutes 2003 Supplement, section 256J.95, subdivision 3.

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

Page 2, line 13, delete "400.13" and insert "400.2"

Page 2, line 15, delete ", (2)" and insert "and" and delete "(3) are enrolled in" and insert "(2) have completed"

Page 2, line 19, delete everything after the period

Page 2, delete lines 20 to 26

Page 2, line 27, delete "diversionary work program."

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

**Senator Lourey from the Committee on Health and Family Security, to which was referred**

**S.F. No. 2672:** A bill for an act relating to human services; requiring the commissioner of human services to implement the pharmaceutical care demonstration project upon federal approval; appropriating money; amending Laws 2003, First Special Session chapter 14, article 12, section 99.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

**Senator Wiger from the Committee on Elections, to which was referred**

**S.F. No. 2778:** A bill for an act relating to Hennepin County; eliminating duplicate campaign finance filings; making other technical changes to the county campaign finance provisions; amending Minnesota Statutes 2002, sections 383B.042, subdivisions 13, 14, 16; 383B.046; 383B.047; 383B.048; 383B.049; 383B.05; 383B.053, subdivision 1.

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

**Senator Higgins from the Committee on State and Local Government Operations, to which was referred**

**S.F. No. 2273:** A bill for an act relating to real property; local planning and zoning; authorizing municipalities to require the dedication of land for public purposes; providing certain terms and conditions for the dedication; amending Minnesota Statutes 2002, section 462.358, subdivision 2b, by adding a subdivision; Minnesota Statutes 2003 Supplement, section 462.353, subdivision 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2003 Supplement, section 462.353, subdivision 4, is amended to read:

Subd. 4. [FEES.] (a) A municipality may prescribe fees sufficient to defray the costs incurred by it in reviewing, investigating, and administering an application for an amendment to an official control established pursuant to sections 462.351 to 462.364 or an application for a permit or other approval required under an official control established pursuant to those sections. Except as provided in subdivision 4a, fees as prescribed must be by ordinance. Fees must be fair, reasonable, and proportionate and have a nexus to the actual cost of the service for which the fee is imposed.

(b) A municipality shall must adopt management and accounting procedures to ensure that fees are maintained and used only for the purpose for which they are collected. Upon request, a municipality must explain the basis of its fees.

(c) Except as provided in this paragraph, a fee ordinance or amendment to a fee ordinance is effective January 1 after its adoption. A municipality may adopt a fee ordinance or an amendment to a fee ordinance with an effective date other than the next January 1, but the ordinance or amendment does not apply if an application for final approval has been submitted to the municipality.

(d) If a dispute arises over a specific fee imposed by a municipality related to a specific application, the amount of the fee must be deposited and held in escrow, and the person aggrieved by the fee may appeal under section 462.361, provided that the appeal must be brought within 60 days after approval of an application under this section and deposit of the fee into escrow. A municipality must not condition the approval of any proposed subdivision or development on an agreement to waive the right to challenge the validity of a fee. An approved application may proceed as if the fee had been paid, pending a decision on the appeal. This paragraph must not be construed to preclude the municipality from conditioning approval of any proposed subdivision or development on an agreement to waive a challenge to the cost associated with municipally installed improvements of the type described in section 429.021.

Sec. 2. Minnesota Statutes 2002, section 462.358, subdivision 2b, is amended to read:

Subd. 2b. [DEDICATION.] (a) The regulations may require that a reasonable portion of any proposed subdivision be dedicated to the public or preserved for public use as streets, roads, sewers, electric, gas, and water facilities, storm water drainage and holding areas or ponds and similar utilities and improvements.

(b) In addition, the regulations may require that a reasonable portion of any proposed subdivision be dedicated to the public or preserved for conservation purposes or for public use as parks, recreational facilities as defined and outlined in section 471.191, playgrounds, trails, wetlands, or open space; provided that (a) (1) the municipality may choose to accept an equivalent amount in cash from the applicant for part or all of the portion required to be dedicated to such public uses or purposes based on the fair market value of the land no later than at the time of final approval, (b) (2) any cash payments received shall be placed in a special fund by the municipality used only for the purposes for which the money was obtained, (c) and may not be used for ongoing operation or maintenance, (3) in establishing the reasonable portion to be dedicated, the regulations may consider the open space, park, recreational, or common areas and facilities which the applicant proposes to reserve for the subdivision, and (d) (4) the municipality reasonably determines that it will need to acquire that portion of land for the purposes stated in this paragraph as a result of approval of the subdivision. The basis for calculating the amount to be dedicated or preserved must be established by ordinance or pursuant to the procedures established in section 462.353, subdivision 4a.

Sec. 3. Minnesota Statutes 2002, section 462.358, is amended by adding a subdivision to read:

Subd. 2c. [NEXUS.] (a) There must be an essential nexus between the fees or dedication imposed under subdivision 2b and the municipal purpose sought to be achieved by the fee or dedication. The fee or dedication must bear a rough proportionality to the need created by the proposed subdivision or development.

(b) If a municipality is given written notice of a dispute over a proposed fee in lieu of dedication before the municipality's final decision on an application, a municipality must not condition the approval of any proposed subdivision or development on an agreement to waive the right to challenge the validity of a fee in lieu of dedication.

(c) An application may proceed as if the fee had been paid, pending a decision on the appeal of a dispute over a proposed fee in lieu of dedication, if (1) the person aggrieved by the fee puts the municipality on written notice of a dispute over a proposed fee in lieu of dedication, (2) prior to the municipality's final decision on the application, the fee in lieu of dedication is deposited in escrow, and (3) the person aggrieved by the fee appeals under section 462.361, within 60 days of the approval of the application. If such an appeal is not filed by the deadline, or if the person aggrieved by the fee does not prevail on the appeal, then the funds paid into escrow must be transferred to the municipality.

Sec. 4. [EFFECTIVE DATE; APPLICATION.]

This act is effective August 1, 2004, and applies to ordinances relating to fees, fee schedules, and dedications adopted or amended on or after August 1, 2004."

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

**Senator Higgins from the Committee on State and Local Government Operations, to which was referred**

**S.F. No. 2703:** A bill for an act relating to state employment; modifying state hiring process provisions; adding, modifying, and eliminating definitions; making technical changes; amending Minnesota Statutes 2002, sections 43A.02, subdivisions 4, 6, 11, 26, 32, 34, by adding subdivisions; 43A.04, subdivisions 3, 4; 43A.05, subdivision 1; 43A.10; 43A.11, subdivisions 5, 6, 7, 8, 9; 43A.15, subdivisions 1, 2, 4, 7, 10, 15; 43A.16, subdivision 1; 43A.191, subdivision 3; 43A.36, subdivision 1; 43A.39, subdivision 1; 197.455; Minnesota Statutes 2003 Supplement, section 43A.15, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 43A; repealing Minnesota Statutes 2002, sections 43A.02, subdivisions 7, 8, 15, 16, 19, 20, 37; 43A.11, subdivisions 3, 4; 43A.12; 43A.13, subdivisions 1, 2, 3, 4, 5, 6, 8; 43A.15, subdivisions 8, 9, 11; Minnesota Statutes 2003 Supplement, section 43A.13, subdivision 7; Minnesota Rules, parts 3900.3300; 3900.6100; 3900.6300; 3900.6400; 3900.6500; 3900.6600; 3900.7100; 3900.7200; 3900.7300; 3900.7400; 3900.8500; 3900.8600; 3900.8800.

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

Page 6, line 18, before the period, insert "and for employees in a bargaining unit as defined in section 179A.10, appointments shall be subject to applicable provisions of collective bargaining agreements"

Page 10, delete section 14

Page 11, line 21, strike "and" and after "12" insert ", and 13"

Page 14, line 32, after "Legislative" insert "Coordinating" and strike "on Employee Relations"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "6,"

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

**Senator Betzold from the Committee on Judiciary, to which was re-referred**

**H.F. No. 1425:** A bill for an act relating to judgments; regulating stays of execution on money judgments; limiting bond amounts; amending Minnesota Statutes 2002, section 550.36.



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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 550.36, is amended to read:

550.36 [STAY OF EXECUTION ON MONEY JUDGMENT.]

(a) This section is an alternative to the Minnesota Rule of Civil Appellate Procedure, section 108.01, subdivision 3. Execution of a judgment for the payment of money only shall be stayed ~~for six months~~ during the course of all appeals or discretionary appellate reviews of a judgment if, within ten days after the entry thereof, the judgment debtor shall file with the court administrator a bond, running to the judgment creditor, the creditor's personal representatives and assigns, ~~The amount of the bond must be in double the amount of the judgment, to be approved by the court, and or a lesser amount approved by the court in the interests of justice. The total appeal bond that is required of all appellants must not exceed \$150,000,000, regardless of the value of the judgment. The bond must be conditioned for the payment of the judgment, with interest during the time for which the stay is granted. Interest shall be computed in the same manner and at the same rate provided for interest on verdicts in section 549.09. Within two days thereafter notice that such bond has been filed, with a copy of the same, shall be served on the judgment creditor, if the creditor be a resident of the county, or upon the creditor's agent or attorney, if the creditor has one, and the judgment creditor may except to the sufficiency of the bond; and, upon the creditor's application upon notice or order to show cause, the court, if it find the bond insufficient, may order execution to issue notwithstanding the same, unless the judgment debtor give such further bond as it shall deem sufficient. If the condition of any such bond be not performed, the execution shall issue for the amount of the judgment, with interest and costs, against the judgment debtor and the sureties. When an execution issues against sureties the officer shall certify in the return what amount, if any, was collected from them and the date thereof. If a stay be granted after execution issued, any levy made thereon shall be released and the execution shall be returned and the reason noted by the officer.~~

(b) Notwithstanding paragraph (a), if a judgment creditor provides evidence that a judgment debtor may be dissipating assets to avoid payment of a judgment, a court may enter orders that:

(1) are necessary to protect the judgment creditor; and

(2) require the judgment debtor to post a bond in an amount up to the total amount of the judgment.

Sec. 2. [EFFECTIVE DATE; APPLICATION.]

Section 1 is effective the day following final enactment and applies to all cases pending on or filed after that date, except for any case in which a judgment has been entered and is under appeal as of that date or is the subject of a petition for discretionary review as of that date."

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

**Senator Marty from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 2164:** A bill for an act relating to natural resources; modifying certain state park fee and permit requirements; modifying rulemaking authority; modifying provisions for the Fort Snelling lease; amending Minnesota Statutes 2002, sections 85.052, subdivision 4; 85.054, subdivision 7, by adding a subdivision; 85.22, subdivision 2a; 85.34, by adding subdivisions; Minnesota Statutes 2003 Supplement, section 16B.24, subdivision 5; repealing Minnesota Statutes 2002, section 85.34, subdivision 4.

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

Page 5, after line 2, insert:

"Sec. 8. Laws 2003, First Special Session chapter 13, section 6, is amended to read:

Sec. 6. [~~PROPOSED GREENLEAF LAKE STATE PARK.~~]

Subdivision 1. [85.012] [Subd. 24b.] [~~PROPOSED PARK GREENLEAF LAKE STATE PARK, MEEKER COUNTY.~~] Boundaries for a proposed Greenleaf Lake state park is established in Meeker county ~~are established according to subdivision 2.~~

Subd. 2. [BOUNDARIES.] The following described lands are ~~proposed for~~ added to Greenleaf Lake state park, all in Township 118 North, Range 30 West, Meeker county:

(1) all of Government Lots 1 and 2, the East Half of the South 23.61 acres of Government Lot 3, and Government Lot 4, excepting that part described as follows: Beginning at a point 109 feet South of a point on the section line which is 4301.5 feet East of the northwest corner of Section 20; thence in a southwesterly direction South 14 degrees 36 seconds West 403.0 feet; thence in a southeasterly direction South 75 degrees 24 minutes East 402 feet, to a point on the meandered line of Sioux Lake; thence in a northeasterly direction along the meandered line North 14 degrees 36 minutes East 553 feet; thence in a southwesterly direction along the meandered line South 84 degrees 00 minutes West 431 feet, to the point of beginning, said exception containing 4.4 acres more or less; all in Section 20;

(2) all of Government Lot 2, the Southeast Quarter except that described as follows: Beginning at the northeast corner of said Southwest Quarter of the Southeast Quarter; thence on an assumed bearing of South 0 degrees 08 minutes 46 seconds West, along the east line of said Southwest Quarter of the Southeast Quarter, a distance of 306.24 feet; thence on a bearing of North 84 degrees 17 minutes 23 seconds West, 628.50 feet; thence on a bearing of North 0 degrees 08 minutes 46 seconds East, 338.05 feet; thence on a bearing of South 86 degrees 08 minutes East, 626.86 feet to the east line of the Northwest Quarter of the Southeast Quarter; thence on a bearing of South 0 degrees 08 minutes 46 seconds West, along last said line, 52.07 feet to the point of beginning. Containing 2.5 acres, more or less. Subject to the rights of the public in County Road No. 172; and excepting the north nine and eighty-four hundredths (9.84) acres of the Southeast Quarter of the Southeast Quarter described as follows: Beginning at the northeast corner of the Southeast Quarter of the Southeast Quarter and running; thence West nineteen and ninety-two hundredths chains (19.92) to the 1/16 section corner; thence South on the 1/16 section line four and sixty-four hundredths (4.64) chains; thence East nineteen and ninety-three hundredths (19.93) chains to the section line; thence North on section line five and twenty-four hundredths (5.24) chains to the place of beginning; all in Section 21;

(3) the Northeast Quarter of the Northeast Quarter, the Northwest Quarter of the Northeast Quarter, the Northeast Quarter of the Northwest Quarter, and the Northwest Quarter of the Northwest Quarter, all in Section 28;

(4) all of Section 29, except that part of Government Lot 4 bounded by the following described lines: Beginning at a point of intersection with the center line of County Road No. 169 and the north line of said Section 29; thence North 90 degrees 00 minutes East, 994.8 feet along the north line of said Section 29; thence South 00 degrees 00 minutes West, 17.9 feet; thence South 75 degrees 28 minutes West, 1051.4 feet, to the center line of County Road No. 169; thence North 04 degrees 39 minutes East, 282.7 feet along the center line of County Road No. 169 to the point of beginning: Including all riparian rights to the contained 3.4 acres more or less and subject to existing road easements; all in Section 29;

(5) the Southeast Quarter of the Southeast Quarter, the Northeast Quarter of the Southeast Quarter, the Southeast Quarter of the Northeast Quarter, and the Northeast Quarter of the Northeast Quarter, all in Section 30; and

(6) the West 15 acres of the Northwest Quarter of the Northwest Quarter of Section 32.

Subd. 3. [~~LAND PURCHASES.~~] ~~The commissioner may not use money in the land acquisition account under Minnesota Statutes, section 94.165, to purchase land for Greenleaf state park. The commissioner may only purchase land for Greenleaf state park with money appropriated specifically for that purpose.~~

## Sec. 9. [ADDITIONS TO STATE PARKS.]

Subdivision 1. [85.012] [Subd. 12.] [CASCADE RIVER STATE PARK, COOK COUNTY.] The following area is added to Cascade River State Park, Cook County: the East 495 feet of the West 759 feet of Government Lot 4, Section 1, Township 60 North, Range 2 West.

Subd. 2. [85.012] [Subd. 13.] [CHARLES A. LINDBERGH STATE PARK, MORRISON COUNTY.] The following areas are added to Charles A. Lindbergh State Park, Morrison County:

(1) Lots 3, 4, 5, 6, 7, 8, 9, 10, and 11, Block 1, Little Elk Meadows, according to the plat on file in the office of the registrar of titles, Morrison County, Minnesota, excepting one-half of all mineral and mineral rights; and

(2) that part of Government Lots 2 and 3, Section 5, Township 129, Range 29, Morrison County, Minnesota, described as follows: Commencing at the found 1/2" iron pipe which marks the position of the northwest corner of said Section 5, as perpetuated since 1936 by the Morrison County Highway Department; thence East on an assumed bearing along the north line of the Northwest Quarter of said Section 5, as determined by found monuments, a distance of 2423.44 feet to a found 1" iron pipe monument; thence South 36 degrees 16 minutes West along the approximate centerline of said County Road 213 a distance of 1479.77 feet; thence South 24 degrees 14 minutes West along said approximate centerline a distance of 278.26 feet; thence South 15 degrees 56 minutes 36 seconds West along said approximate centerline a distance of 86.47 feet to its intersection with said common line between Nelson and Schoessling; thence South 89 degrees 38 minutes 12 seconds East a distance of 34.26 feet to a found 5/8" diameter iron pin on the easterly right-of-way line of said County Road 213, the point of beginning; thence South 15 degrees 56 minutes 36 seconds West along said easterly right-of-way line a distance of 1246.81 feet to a 1/2" diameter iron pipe monument capped RLS 10832 which bears South 74 degrees 38 minutes 37 seconds East a distance of 33.00 feet from a found 1/2" iron pin set by Lehman in his 1948 survey at the approximate centerline of said County Road 213; thence South 14 degrees 52 minutes 10 seconds West along said easterly line of County Road 213 a distance of 338.93 feet to a 1/2" iron pipe monument capped RLS 10832 which bears South 41 degrees 39 minutes 13 seconds East a distance of 39.56 feet from a found 1/2" diameter iron pin set by Lehman in said survey at the approximate centerline of said County Road 213; thence continuing South 14 degrees 52 minutes 10 seconds West along said easterly right-of-way line a distance of 44 feet, more or less, to the northerly bank of the Little Elk River, said bank coinciding with the shoreline; thence southeasterly 963 feet, more or less, along said northerly bank of the Little Elk River to its confluence with the Mississippi River; thence northerly along the bank and shoreline of said Mississippi River a distance of 2807 feet, more or less, to its intersection with the said common line between Nelson and Schoessling; thence North 89 degrees 53 minutes 26 seconds West along said common line a distance of 7 feet, more or less, to a found 1/2" diameter iron pipe monument capped RLS 3091, one of four consecutive monuments set on said common line by Dean Anderson in his survey dated February 15, 1973; thence continuing North 89 degrees 53 minutes 26 seconds West on said common line a distance of 370.36 feet to a found 1/2" diameter iron pipe monument capped RLS 3091; thence continuing on said common line North 89 degrees 59 minutes 46 seconds West a distance of 242.55 feet to a found 1/2" diameter iron pipe monument capped RLS 3091; thence continuing on said common line North 89 degrees 59 minutes 51 seconds West a distance of 387.43 feet to a 1/2" diameter iron pipe monument capped RLS 3091; thence continuing on said common line North 89 degrees 38 minutes 12 seconds West a distance of 239.51 feet to a 5/8" diameter iron pin set by Lehman in his 1948 survey, the point of beginning, and there terminating, all in accordance with the survey of Ron Murphy, RLS 10832, dated January 20, 1983. Containing 67.80 acres, more or less, this description is intended to describe all real estate described in Certificates of Title Numbers 848 and 855.

Subd. 3. [85.012] [Subd. 14.] [CROW WING STATE PARK, CROW WING, CASS, AND MORRISON COUNTIES.] The following area is added to Crow Wing State Park, all in Section 18, Township 44, Range 31, Crow Wing County: the Northwest Quarter of the Northeast Quarter except the South 330 feet thereof, and the Northeast Quarter of the Northeast Quarter except the South 330 feet thereof; except that part of the Northeast Quarter of the Northeast Quarter described as follows: Commencing at the northeast corner of the said Northeast Quarter of the

Northeast Quarter; thence West 660 feet on the north line of said Northeast Quarter of the Northeast Quarter; thence South 330 feet parallel to the east line of said Northeast Quarter of the Northeast Quarter; thence East 660 feet to the east line of said Northeast Quarter of the Northeast Quarter (said line being parallel to the north line to said Northeast Quarter of the Northeast Quarter); thence North on the east line of said Northeast Quarter of the Northeast Quarter 330 feet to the point of beginning.

Subd. 4. [85.012] [Subd. 19.] [FORESTVILLE MYSTERY CAVE STATE PARK, FILLMORE COUNTY.] (a) The following areas are added to Forestville State Park, all in Township 102 North, Range 12 West, Fillmore County:

(1) that part of the Southeast Quarter of the Northwest Quarter and that part of the Northeast Quarter of the Southwest Quarter of Section 25, described as follows: Beginning at the northeast corner of said Southeast Quarter of the Northwest Quarter; thence on a bearing, based on the 1983 Fillmore County Coordinate System (1986 Adjustment), of South 00 degrees 06 minutes 09 seconds West along the east line of said Southeast Quarter of the Northwest Quarter 1314.86 feet to the northeast corner of said Northeast Quarter of the Southwest Quarter; thence continuing South 00 degrees 06 minutes 09 seconds West along the east line of said Northeast Quarter of the Southwest Quarter 1306.56 feet to the southeast corner of said Northeast Quarter of the Southwest Quarter; thence South 89 degrees 26 minutes 26 seconds West along the south line of said Northeast Quarter of the Southwest Quarter 13.50 feet; thence North 00 degrees 54 minutes 48 seconds West 1441.34 feet; thence North 02 degrees 12 minutes 23 seconds West 298.58 feet; thence North 01 degree 21 minutes 29 seconds West 483.51 feet; thence North 00 degrees 04 minutes 31 seconds East 397.73 feet to the north line of said Southeast Quarter of the Northwest Quarter; thence North 89 degrees 09 minutes 53 seconds East along said north line 63.60 feet to the point of beginning; and

(2) that part of the West Half of the Northeast Quarter and that part of the Northwest Quarter of the Southeast Quarter of Section 25, described as follows: Commencing at the northwest corner of said West Half of the Northeast Quarter being an in place Fillmore County cast iron monument; thence on a bearing, based on the 1983 Fillmore County Coordinate System (1986 Adjustment), of South 00 degrees 06 minutes 09 seconds West along the west line of said West Half of the Northeast Quarter 1169.24 feet to a 3/4" by 24" rebar with a plastic cap stamped "MN DNR LS 17003" (DNR MON) and the point of beginning; thence North 89 degrees 57 minutes 41 seconds East 1000.00 feet to a DNR MON; thence South 00 degrees 06 minutes 09 seconds West 1638.29 feet to a DNR MON; thence South 89 degrees 57 minutes 41 seconds West 1000.00 feet to the west line of said Northwest Quarter of the Southeast Quarter and a DNR MON; thence North 00 degrees 06 minutes 09 seconds East along the west line of said Northwest Quarter of the Southeast Quarter and along the west line of said West Half of the Northeast Quarter 1638.29 feet to the point of beginning.

(b) The commissioner shall manage this addition as a state park as provided in Minnesota Statutes, section 86A.05, subdivision 2, but in addition to other activities authorized in Forestville Mystery Cave State Park, the commissioner shall allow hunting.

Subd. 5. [85.012] [Subd. 22.] [GEORGE H. CROSBY MANITOU STATE PARK, LAKE COUNTY.] The following area is added to George H. Crosby Manitou State Park, Lake County, all in Township 58 North, Range 6 West: the Southeast Quarter of the Northwest Quarter of Section 14; the Southwest Quarter of the Northeast Quarter and the Southeast Quarter of the Northwest Quarter of Section 15; the Southwest Quarter of the Northwest Quarter and the Northwest Quarter of the Southwest Quarter of Section 23; and the Southwest Quarter of the Northwest Quarter of Section 26.

Subd. 6. [85.012] [Subd. 29.] [ITASCA STATE PARK, HUBBARD, CLEARWATER, AND BECKER COUNTIES.] The following areas are added to Itasca State Park, all in Township 142, Range 36, Becker County:

(1) Bureau of Land Management Island County Control Number 7 within Twin Island Lake and located in that part of the Southwest Quarter of the Southwest Quarter of Section 5; that part of the Southeast Quarter of the Southeast Quarter of Section 6; that part of the Northeast Quarter

of the Northeast Quarter of Section 7; and that part of the Northwest Quarter of the Northwest Quarter of Section 8; and

(2) Bureau of Land Management Island County Control Number 8 within Twin Island Lake and located in that part of the Northeast Quarter of the Northeast Quarter of Section 7.

Subd. 7. [85.012] [Subd. 41.] [MAPLEWOOD STATE PARK, OTTER TAIL COUNTY.] The following area is added to Maplewood State Park, Otter Tail County: Bureau of Land Management Island County Control Number 86 within South Arm Lida Lake and located in that part of the Northwest Quarter of the Southeast Quarter of Section 32, Township 136, Range 42.

Subd. 8. [85.012] [Subd. 44.] [MONSON LAKE STATE PARK, SWIFT COUNTY.] The following areas are added to Monson Lake State Park, Swift County:

(1) Bureau of Land Management Island County Control Number 001 within Monson Lake and located in that part of Government Lot 1, Section 2, Township 121, Range 37; and

(2) that part of Government Lot 1, Section 35, Township 122 North, Range 37 West, Swift County, Minnesota, described as follows: Commencing at Government Meander Corner No. 2 (being the meander corner common to Section 35 and Section 36, Township 122 North, Range 37 West); thence southwesterly a distance of 170 feet along the government meander line in said Section 35 to the POINT OF BEGINNING; thence continuing southwesterly, a distance of 445 feet along said meander line to the meander corner; thence West, a distance of 328 feet along the south line of said Government Lot 1 to the meander corner; thence northwesterly, a distance of 214 feet along the meander line in said Section 35; thence northeasterly, a distance of 620 feet to the point of beginning.

Subd. 9. [85.012] [Subd. 53b.] [SPLIT ROCK CREEK STATE PARK, PIPESTONE COUNTY.] The following areas are added to Split Rock Creek State Park, all in Township 105 North, Range 46 West, Pipestone County:

(1) the Northeast Quarter; the Southwest Quarter; and the Southeast Quarter, except that part beginning at a point on the east line of said Southeast Quarter, 1112 feet North of the southeast corner of said Southeast Quarter; thence West 561 feet to a point; thence North 529 feet to a point; thence East 561 feet to a point on the east line of said Southeast Quarter; thence South along the east line of said Southeast Quarter 528 feet to the point of beginning, all in Section 22; and

(2) the North 105 acres, more or less, of the North Half of Section 27, lying north and west of the southeasterly right-of-way line of the former Chicago, Rock Island and Pacific Railway Company, now abandoned, as it was originally located on and across said Section 27 and that part of Section 27 beginning at the northeast corner of said Section 27; thence South 89 degrees 40 minutes 00 seconds West, a distance of 1608.29 feet; thence South 46 degrees 05 minutes 00 seconds West, a distance of 155.63 feet; thence deflect left along a curve having a delta angle of 11 degrees 46 minutes, a radius of 844.28 feet, for a distance of 173.39 feet; thence South 34 degrees 18 minutes 00 seconds West, a distance of 909.30 feet; thence South 89 degrees 57 minutes 00 seconds East, a distance of 1718.36 feet; thence North 01 degree 03 minutes 00 seconds East, a distance of 120.70 feet; thence South 89 degrees 44 minutes 00 seconds East, a distance of 623.70 feet to the east line of said Section 27; thence North 00 degrees 00 minutes 00 seconds East, along said east line, a distance of 882.95 feet, to the point of beginning.

Subd. 10. [85.012] [Subd. 55a.] [TETTEGOUCHE STATE PARK, LAKE COUNTY.] The following areas are added to Tettegouche State Park, Lake County:

(1) the West Half of the Southwest Quarter of the Northwest Quarter of the Southwest Quarter lying south and west of the Baptism River in Section 3; the East Half of the Southeast Quarter lying south and west of the Baptism River in Section 4; that part of the Northeast Quarter of the Northwest Quarter in Section 10, lying south of the centerline of State Highway No. 1, except that part thereof lying north of a line parallel to and 560 feet northerly distant from the south line of said Northeast Quarter of the Northwest Quarter, and between two lines parallel to and distant, respectively, 100 feet and 420 feet westerly distant from the east line of said Northeast Quarter of

the Northwest Quarter; the West 450 feet of the Southeast Quarter of the Southwest Quarter of Section 11, excepting therefrom, the South 425 feet; all that part of Government Lot Two (2), Section Fifteen (15), Township Fifty-six (56), Range Seven (7) West, lying southeasterly of U.S. No. Highway 61, EXCEPT that part of Government Lot Two, described as follows: Commencing at the quarter corner between said Sections 15 and 22, 56-7, thence running east along section line between said sections 15 and 22 to a point 503.0 feet east of said quarter corner, thence turning an angle of 75 degrees 00 minutes to the left and running 425.0 feet to a point designated by a 2-inch iron pipe, being the point of beginning, thence running in a northwesterly direction to a point on the west boundary line of Government Lot Two, which will be approximately 970.0 feet north of the quarter corner between said Sections 15 and 22, thence north along west boundary line of Government Lot Two to the northwest corner of Government Lot Two, thence east along north boundary line of Government Lot Two approximately 240.0 feet, thence in southeasterly direction to a point on east side of point of rocks projecting into Lake Superior marked with an X, thence in a southwesterly direction along the shore of Lake Superior to the point of beginning. (X mark on rock being in a line making a deflection angle of 45 degrees 51 minutes to the left with east and west section line from a point on the section line 503.0 feet east of the quarter corner between sections 15 and 22 and being approximately 830 feet from said point on said section line.) Said parcel to contain Ten (10) acres and to be subject to existing right-of-way easements and all mineral and gravel rights heretofore granted, AND EXCEPT that part of Government Lot Two, described as follows: Commencing at the Northeast corner of Government Lot Two marked by an iron pipe, set in 1964 by Tofte, Lice #2888, thence South 89 degrees 49 minutes 00 seconds West, assumed bearing, along the North line of said Lot 2 a distance of 599.2 feet; thence Southwesterly 105.69 feet along a non-tangential curve to the right, radius of 2864.79 feet, delta angle of 02 degrees 06 minutes 50 seconds, chord of 105.69 feet, chord bearing of South 32 degrees 14 minutes 35 seconds West; thence South 33 degrees 18 minutes 00 seconds West 193.70 feet to the Point of Beginning of the Parcel herein described: thence returning North 33 degrees 18 minutes 00 seconds East 20.17 feet; thence South 70 degrees 21 minutes 14 seconds East 51.45 feet; thence South 62 degrees 07 minutes 40 seconds East 389.11 feet; thence South 81 degrees 45 minutes 44 seconds East 100.18 feet; thence South 72 degrees 51 minutes 58 seconds East 181 feet more or less to the shore of Lake Superior; thence Southwesterly along said shore 265 feet more or less to the intersection with a line bearing South 47 degrees 37 minutes 00 seconds East from the point of beginning; thence North 47 degrees 37 minutes 00 seconds West 697 feet more or less to the point of beginning; all that part of the Southeast Quarter of the Southwest Quarter of Section Fifteen (15), Township Fifty-six (56), Range Seven (7) West, lying southeasterly of U.S. Highway No. 61; all that part of Government Lot 1 lying southeast of U.S.T.H. No. 61; the North Half of Government Lot 2; and that part of the Southwest Quarter of the Northwest Quarter lying south and east of Highway 61 in Section 22; all in Township 56 North, Range 7 West; and

(2) that part of the Northeast Quarter of the Southwest Quarter and that part of the Southeast Quarter of the Southwest Quarter lying east of County Road 4 in Section 31, Township 57 North, Range 7 West.

Sec. 10. [ADDITIONS TO CUYUNA COUNTRY STATE RECREATION AREA.]

[85.013] [Subd. 5c.] [CUYUNA COUNTRY STATE RECREATION AREA, CROW WING COUNTY.] The following areas are added to Cuyuna Country State Recreation Area, Crow Wing County:

The South Half of the Southwest Quarter of the Southwest Quarter of Section 2 and the North Half of the Northwest Quarter of the Northwest Quarter of Section 11, all in Township 46 North, Range 29 West, EXCEPT that part of the South Half of the Southwest Quarter of the Southwest Quarter of Section 2 and that part of the North Half of the Northwest Quarter of the Northwest Quarter of Section 11 described as follows: Commencing at the southwest corner of said Section 2; thence North 88 degrees 57 minutes 16 seconds East, assumed bearing, 30.00 feet along the south line of said Section 2 to the easterly right-of-way line of County State-Aid Highway 30, the point of beginning; thence North 2 degrees 21 minutes 01 second West 123.00 feet along said easterly right-of-way line; thence North 83 degrees 57 minutes East 70.27 feet; thence easterly 48.57 feet along a tangential curve concave to the south having a radius of 270.63 feet and a central angle of 10 degrees 17 minutes; thence South 85 degrees 46 minutes East 145.77 feet;

thence South 76 degrees 24 minutes East 191.00 feet; thence South 7 degrees 28 minutes 16 seconds West 385.13 feet; thence North 77 degrees 48 minutes West 43.50 feet; thence North 86 degrees 55 minutes 30 seconds West 360.00 feet to the easterly right-of-way line of County State-Aid Highway 30; thence North 1 degree 35 minutes 26 seconds East 278.06 feet along said easterly right-of-way line to the point of beginning; AND ALSO EXCEPT that part of the South Half of the Southwest Quarter of the Southwest Quarter of Section 2 and that part of the North Half of the Northwest Quarter of the Northwest Quarter of Section 11, both in Township 46 North, Range 29 West, described as follows: Commencing at the southwest corner of said Section 2; thence North 88 degrees 57 minutes 16 seconds East, assumed bearing, 30.00 feet along the south line of said Section 2 to the easterly right-of-way line of County State-Aid Highway 30; thence North 2 degrees 21 minutes 01 second West 189.14 feet along said easterly right-of-way line to the point of beginning; thence North 83 degrees 57 minutes East 66.00 feet; thence easterly 60.42 feet along a tangential curve concave to the south having a radius of 336.63 feet and a central angle of 10 degrees 17 minutes; thence South 85 degrees 46 minutes East 151.18 feet; thence South 76 degrees 24 minutes East 363.20 feet; thence easterly 59.36 feet along a tangential curve concave to the north having a radius of 135.70 feet and a central angle of 25 degrees 03 minutes 46 seconds; thence South 13 degrees 51 minutes East 328.09 feet not tangent to the last described curve; thence South 87 degrees 52 minutes 02 seconds East 159.65 feet; thence North 11 degrees 39 minutes East 297.32 feet; thence North 42 degrees 20 minutes East 156.65 feet; thence North 22 degrees 30 minutes East 340.27 feet to the east line of said South Half of the Southwest Quarter of the Southwest Quarter; thence North 1 degree 42 minutes 42 seconds West 189.62 feet along the east line of said South Half of the Southwest Quarter of the Southwest Quarter to the northeast corner of said South Half of the Southwest Quarter of the Southwest Quarter; thence South 88 degrees 46 minutes 22 seconds West 1236.37 feet along the north line of said South Half of the Southwest Quarter of the Southwest Quarter to the easterly right-of-way line of said County State-Aid Highway 30; thence South 2 degrees 21 minutes 01 second East 470.58 feet along said easterly right-of-way line to the point of beginning; AND ALSO EXCEPT that part of the South Half of the Southwest Quarter of the Southwest Quarter of Section 2 and that part of the North Half of the Northwest Quarter of the Northwest Quarter of Section 11, both in Township 46, Range 29, Crow Wing County, Minnesota, described as follows: Commencing at the southwest corner of said Section 2; thence North 88 degrees 57 minutes 16 seconds East, assumed bearing 30.00 feet along the south line of said Section 2 to the easterly right-of-way line of County State-Aid Highway 30; thence North 2 degrees 21 minutes 01 second West 123.00 feet along said easterly right-of-way line; thence North 83 degrees 57 minutes East 70.27 feet; thence easterly 48.57 feet along a tangential curve concave to the south having a radius of 270.63 feet and a central angle of 10 degrees 17 minutes; thence South 85 degrees 46 minutes East 145.77 feet; thence South 76 degrees 24 minutes East 191.00 feet to the point of beginning; thence continuing South 76 degrees 24 minutes East 166.79 feet; thence easterly 90.97 feet along a tangential curve concave to the north having a radius of 201.70 feet and a central angle of 25 degrees 50 minutes 33 seconds; thence South 13 degrees 51 minutes East 262.06 feet not tangent to the last described curve; thence South 54 degrees 56 minutes West 221.00 feet; thence North 77 degrees 48 minutes West 188.50 feet; thence North 7 degrees 28 minutes 16 seconds East 385.13 feet to the point of beginning; AND ALSO EXCEPT that part of the South Half of the Southwest Quarter of the Southwest Quarter of Section 2 and that part of the North Half of the Northwest Quarter of the Northwest Quarter of Section 11, both in Township 46, Range 29, Crow Wing County, Minnesota, described as follows: Commencing at the southwest corner of said Section 2; thence North 88 degrees 57 minutes 16 seconds East, assumed bearing 30.00 feet along the south line of said Section 2 to the easterly right-of-way line of County State-Aid Highway 30; thence North 2 degrees 21 minutes 01 second West 123.00 feet along said easterly right-of-way line to the point of beginning; thence North 83 degrees 57 minutes East 70.27 feet; thence easterly 48.57 feet along a tangential curve concave to the south having a radius of 270.63 feet and a central angle of 10 degrees 17 minutes; thence South 85 degrees 46 minutes East 145.77 feet; thence South 76 degrees 24 minutes East 357.79 feet; thence easterly 90.97 feet along a tangential curve concave to the north having a radius of 201.70 feet and a central angle of 25 degrees 50 minutes 33 seconds; thence North 13 degrees 51 minutes West 66.03 feet not tangent to the last described curve; thence westerly 59.36 feet along a non-tangential curve concave to the north having a radius of 135.70 feet and a central angle of 25 degrees 03 minutes 46 seconds; thence North 76 degrees 24 minutes West 363.20 feet; thence North 85 degrees 46 minutes West 151.18 feet; thence westerly 60.42

feet along a tangential curve concave to the south having a radius of 336.63 feet and a central angle of 10 degrees 17 minutes; thence South 83 degrees 57 minutes West 66.00 feet to the easterly right-of-way line of said County State-Aid Highway 30; thence South 2 degrees 21 minutes 01 second East 66.14 feet along said easterly right-of-way line to the point of beginning."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "adding to state parks and recreation areas;"

Page 1, line 9, after the semicolon, insert "Laws 2003, First Special Session chapter 13, section 6;"

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

**Senator Marty from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 2319:** A bill for an act relating to the environment; requiring monitoring and evaluation of public and private wells in areas where sewage sludge is applied to agricultural land; authorizing assessment for agency costs; appropriating money; amending Minnesota Statutes 2002, section 115.03, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION.]

\$65,000 for fiscal year 2005 is appropriated from the environmental fund to the Pollution Control Agency to collect samples and analyze the presence of pollutants in soils that have had biosolids applied to them. The commissioner must include specific analysis of phthalates and flame retardants. The commissioner shall report the findings of the analysis to the senate and house committees with jurisdiction on environmental policy. This is a onetime appropriation."

Delete the title and insert:

"A bill for an act relating to the environment; appropriating money for an analysis of pollutants in soils that have had biosolids applied to them."

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

**Senator Marty from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 2205:** A bill for an act relating to natural resources; providing for public and private sales of certain state lands; removing land from certain state forests; amending Laws 2003, First Special Session chapter 13, section 16.

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

Delete everything after the enacting clause and insert:

"Section 1. Laws 1999, chapter 161, section 31, subdivision 3, is amended to read:

Subd. 3. [APPRAISAL.] (a) An appraisal shall be made in accordance with Minnesota Statutes, section 282.01, subdivision 3, except as modified by this subdivision. Improvements that are owned by the lessee shall be appraised separately.



(b) An appraiser shall be selected by the county. The appraiser selected shall meet the minimal appraisal standards established by the federal Farmers Home Administration or the federal Veterans Administration, and be licensed under Minnesota Statutes, section 82B.03, ~~and be approved by the department of natural resources to appraise the property to be sold.~~

(c) The costs of appraisal shall be allocated by the county to the lots offered for sale and the successful purchaser on each lot shall reimburse the county for the appraisal costs allocated to the lot purchased. If no one purchases a lot, the county is responsible for the appraisal cost.

(d) If a leaseholder disagrees with the appraised value of the ~~land or~~ leasehold improvements, the leaseholder may select an appraiser that meets the qualifications set forth herein to reappraise the ~~land and~~ improvements. The leaseholder must give notice of its intent to object to the appraised value of the ~~land and~~ buildings within ten days of the date of the mailing or service of notice under subdivision 2, paragraph (a). The reappraisal must be delivered by the leaseholder to the county auditor within 60 days of the date of mailing or service of notice of appraised value under subdivision 2, paragraph (a), or the initial appraisal shall be conclusive. The leaseholder is responsible for the costs of this reappraisal. If the parcel is reappraised within the time set forth herein and the county and the leaseholder fail to agree on the value of the ~~land and~~ improvements ~~within 30 days of the date of delivery of the reappraisal by a date set by the county,~~ each of the appraisers shall agree upon the selection of a third appraiser to conduct a third appraisal that shall be conclusive as to the value of the ~~land and~~ improvements. The cost of this appraisal shall be paid equally by the county and the leaseholder.

Sec. 2. Laws 1999, chapter 161, section 31, subdivision 5, is amended to read:

Subd. 5. [SURVEY.] (a) Itasca county shall cause each lot to be surveyed ~~according to Minnesota Statutes, chapter 505, and the Itasca county platting and subdivision ordinance, each lot prior to offering it for sale~~ by a licensed surveyor.

(b) The costs of survey shall be allocated by the county to the lots offered for sale and the successful purchaser on each lot shall reimburse the county for the survey costs allocated to the lot purchased. If no one purchases the lot, the county is responsible for the survey costs. All surveying must be conducted by a licensed surveyor.

Sec. 3. Laws 1999, chapter 161, section 31, subdivision 8, is amended to read:

Subd. 8. [SUNSET.] This section expires ~~five years after the day of final enactment~~ on June 1, 2007.

Sec. 4. Laws 2003, First Special Session chapter 13, section 16, is amended to read:

Sec. 16. [PRIVATE SALE OF CONSOLIDATED CONSERVATION LAND; BELTRAMI COUNTY.]

(a) Notwithstanding the classification and public sale provisions of Minnesota Statutes, chapters 84A and 282, the commissioner of natural resources may sell to Waskish township the ~~consolidated conservation state's interest in~~ land that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapters 84A and 282.

(b) The conveyance must be in a form approved by the attorney general ~~and must provide that the land reverts to the state if it is not used for public airport purposes.~~ The conveyance must reserve an easement to ensure public access and state management access to the public and private lands to the west and south. The attorney general may make necessary changes in the legal description to correct errors and ensure accuracy. The consideration for the conveyance must not be less than the appraised value of the land and timber and any survey costs. Proceeds shall be disposed of according to Minnesota Statutes, chapter 84A. No payments made under State Lease Numbered 144-015-0558 will be refunded, but payments made may be credited against the payments due.

(c) The land ~~and interests in land~~ that may be conveyed is located in Beltrami county and is described as: the Southwest Quarter of the Northeast Quarter; the Northeast Quarter of the

Southwest Quarter; the North 10 acres of the Southeast Quarter of the Southwest Quarter; and the West 10 acres of the Northwest Quarter of the Southeast Quarter, all in Section 20, Township 154 North, Range 30 West.

Sec. 5. [DELETION FROM GEORGE WASHINGTON STATE FOREST.]

[89.021] [Subd. 19.] [GEORGE WASHINGTON STATE FOREST.] The following area is deleted from George Washington State Forest, Itasca County: that part of the Northeast Quarter of the Southeast Quarter of Section 1, Township 59 North, Range 25 West, lying northeasterly of County State-Aid Highway 7, containing 1.20 acres more or less.

Sec. 6. [DELETION FROM FOOT HILLS STATE FOREST.]

[89.021] [Subd. 19.] [FOOT HILLS STATE FOREST.] The following area is deleted from Foot Hills State Forest, Cass County: Lot Four (4), Section 8, Township 140 North, Range 31 West, except that part of the E. 300 ft. thereof lying N. of the centerline of the Hiram Township road known as Mountain Maple Lane. A more exact legal description will not be known until a survey is completed to delineate the sale parcel from the water access site to be retained. The portion of the lot to be sold at public sale does not contain lakeshore. The lakeshore will be retained as part of the water access site.

Sec. 7. [DELETION FROM PAUL BUNYAN STATE FOREST.]

[89.021] [Subd. 38.] [PAUL BUNYAN STATE FOREST.] The following area is deleted from Paul Bunyan State Forest, Hubbard County: that part of the Southwest Quarter of the Northwest Quarter (SW1/4-NW1/4), Section 36, Township 142 North, Range 34 West, described as follows: Beginning at the W. quarter corner of Section 36, Township 142, Range 34, proceed N. on the section line 824.25 ft., thence S. 89 deg. 56 min. 44 sec. E. 100 ft., thence S. parallel to the section line 824.25 ft., thence N. 89 deg. 56 min. 44 sec. W. 100 ft. to the point of beginning, comprising 1.89 acres.

Sec. 8. [DELETION FROM MISSISSIPPI RECREATIONAL RIVER LAND USE DISTRICT IN WRIGHT COUNTY.]

The following area is deleted from the Mississippi Recreational River Land Use District in Wright County: that part of government lots 1 and 2 of Section 14, Government lot 1 of Section 23, and the southeast quarter of Section 15, Township 121 North, Range 23 West, lying beyond 300 feet of the ordinary high water level of the Mississippi River.

Sec. 9. [PRIVATE SALE OF TAX-FORFEITED LAND; AITKIN COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Aitkin County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general for no less than the appraised value of the land.

(c) The land to be sold is located in Aitkin County and is described as: 208 feet by 208 feet in Government Lot 3, as in Document #176347, Section 33, Township 45 North, Range 27 West (PIN 11-0-074000).

(d) The sale corrects an inadvertent trespass and the county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 10. [PRIVATE SALE OF CONSOLIDATED CONSERVATION LAND; AITKIN COUNTY.]

(a) Notwithstanding the classification and public sale provisions of Minnesota Statutes, chapters 84A and 282, the commissioner of natural resources may sell to Shamrock Township the consolidated conservation land described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapters 84A and 282.

(b) The conveyance must be in a form approved by the attorney general. The consideration for the conveyance must be for no less than the appraised value of the land and timber and any survey costs. Proceeds shall be disposed of according to Minnesota Statutes, chapter 84A.

(c) The land to be sold is located in Aitkin County and is described as: that part of the Southeast Quarter of the Southeast Quarter lying north of the township road in Section 9, Township 49 North, Range 23 West.

Sec. 11. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; AITKIN COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Aitkin County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be sold is located in Aitkin County and is described as: the East 400 feet of the West 1,150 feet of Government Lot 7, Section 3, Township 51 North, Range 23 West (PIN 06-0-005200).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 12. [PUBLIC SALE OF SURPLUS STATE LAND; BELTRAMI COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 94.10, the commissioner of natural resources may sell by public sale, for less than the appraised value, the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes in the legal description to correct errors and ensure accuracy.

(c) The land to be sold is located in Beltrami County and is described as: the Southeast Quarter of the Northeast Quarter of Section 32 and the Southwest Quarter of the Northwest Quarter of Section 33, all in Township 147 North, Range 34 West.

(d) The land described in paragraph (c) is a former gravel pit and the commissioner of natural resources has determined that the land is no longer necessary for natural resource purposes. The land has been offered at public auction and received no bids.

Sec. 13. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CHISAGO COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Chisago County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be sold is located in Chisago County and is described as:

(1) an undivided 4/7th interest in and to that part of Government Lot 3 described as follows: Beginning at the southwest corner of the recorded plat of Bergquist's Beach; thence South 64 degrees 16 minutes East, along the southerly line of Bergquist's Beach, a distance of 216 feet more or less to the high water line of North Center Lake; thence southerly along the high water line of the bay to North Center Lake, a distance of 300 feet more or less, to the point of intersection with the southerly projection of the westerly line of Bergquist's Beach; thence North 16 degrees 18 minutes East along said southerly projection of the westerly line of Bergquist's Beach a distance of 50 feet more or less to the point of beginning, Section 21, Township 34, Range 21;

(2) all that part of the Northeast Quarter of the Northwest Quarter lying south of the centerline of County Ditch No. 5, Section 9, Township 34, Range 21;

(3) the West Half of the Northeast Quarter of the Southeast Quarter, Section 32, Township 33, Range 21;

(4) that part of the Northwest Quarter of the Southeast Quarter described as follows: Beginning at the center of Section 32; thence South along the north/south quarter line of Section 32, 446 feet; thence East deflecting 90 degrees to the left 126.20 feet to the point of beginning on the easterly right-of-way line of Trunk Highway No. 61; thence continuing East along the easterly projection of the last described course 469.20 feet to a point 595.40 feet East of the west line of the Northwest Quarter of the Southeast Quarter; thence North deflecting 90 degrees to the left 178.20 feet; thence East deflecting 90 degrees to the right 725 feet more or less to the east line of the Northwest Quarter of the Southeast Quarter of Section 32; thence southerly along said east line 1,059.00 feet more or less to the southeast corner of the Northwest Quarter of the Southeast Quarter of Section 32; thence westerly along the south line of the Northwest Quarter of Southeast Quarter of Section 32, 1,125.00 feet more or less to the easterly right-of-way line of Trunk Highway No. 61; thence northerly along said easterly right-of-way line 903.00 feet more or less to the point of beginning. Except that part beginning at the center of Section 32; thence South 446 feet; thence East 595.40 feet; thence North 178.20 feet to the point of beginning; thence continuing East 725 feet; thence South 301 feet; thence West 725 feet; thence North 301 feet to the point of beginning, Section 32, Township 33, Range 21;

(5) that part of the Northeast Quarter of the Northeast Quarter described as follows: Beginning at the northeast corner of Section 29; thence West 49 feet; thence South 156 feet; thence East 49 feet; thence North 156 feet to the point of beginning; and also beginning 3 rods west of the northeast corner of the Northeast Quarter of the Northeast Quarter of Section 29; thence West 140 feet; thence South to the center of Goose Creek; thence following the center of Goose Creek to a point directly South of the point of beginning; thence North to the point of beginning, Section 29, Township 36, Range 21; and

(6) Outlot E of Kates Estates.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 14. [LAND EXCHANGE; COOK COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 94.344, subdivision 3, Cook County may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.348, determine the value of the land to be exchanged that is described in paragraph (b) by including the value of the buildings and improvements located on the land.

(b) The land to be obtained by Cook County from the United States in the exchange is all in Section 30, Township 66 North, Range 4 West, described as:

(1) that part of Government Lot 6 described as follows:

Commencing at the point created by the intersection of the north line of Lot 6 at the west line of the public landing as the point of beginning; thence South on the west line of said public landing tract a distance of 100.00 feet (measured at right angles); thence West parallel to the north line of Lot 6 for 215.00 feet; thence due North 100.00 feet to the north line of Lot 6; thence East on the north line of Lot 6 a distance of 225.00 feet, more or less, to the point of beginning, which is also described as:

Assuming the north boundary of said Government Lot 6 to lie South 88 degrees 30 minutes 00 seconds East from the iron pipe which is on the east end of said north boundary, then North 88 degrees 30 minutes 00 seconds West along said north boundary a distance of 384.75 feet to the point of beginning; thence South 16 degrees 30 minutes 00 seconds West a distance of 103.06

feet; thence North 88 degrees 30 minutes 00 seconds West a distance of 215.00 feet; thence North 00 degrees 30 minutes 00 seconds East a distance of 100.00 feet to a point which lies on the north boundary; thence South 88 degrees 30 minutes 00 seconds East along said north boundary a distance of 239.93 feet back to the point of beginning; and

(2) that part of Government Lot 7 described as follows:

Assuming the south boundary of Government Lot 7 to lie South 88 degrees 30 minutes 00 seconds East and from the iron pipe which is on the east end of said south boundary, run North 88 degrees 30 minutes 00 seconds West along said south boundary a distance of 346.53 feet to the point of beginning; thence continue North 88 degrees 30 minutes 00 seconds West along said south boundary a distance of 388.17 feet; thence North 03 degrees 16 minutes 36 seconds West a distance of 183.65 feet; thence North 23 degrees 01 minute 18 seconds East a distance of 113.59 feet; thence North 68 degrees 27 minutes 48 seconds East a distance of 225.73 feet; thence North 75 degrees 27 minutes 57 seconds East a distance of 88.62 feet; thence North 82 degrees 47 minutes 51 seconds East to the shore of Saganaga Lake; thence southwesterly along the shoreline to a point which lies on the north boundary of the county public landing; thence South 38 degrees 19 minutes 12 seconds West along said northerly boundary of the county public landing a distance of 90 feet, more or less; thence South 57 degrees 28 minutes 36 seconds West along said northerly boundary of the county public landing a distance of 169.25 feet; thence South 47 degrees 38 minutes 48 seconds East along the southwesterly boundary of the county public landing a distance of 92.42 feet back to the point of beginning.

**Sec. 15. [PUBLIC SALE OF SURPLUS STATE LAND; COOK COUNTY.]**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell the surplus land and buildings bordering on public waters that are described in paragraph (c).

(b) The sale must be in a form approved by the attorney general for consideration no less than the appraised value of the land and buildings. The conveyance shall reserve an easement to the state along the waterfront for angling and management purposes and an access easement across said lands to ensure ingress and egress to the public for access to the Flute Reed River, which is a designated trout stream. The exact location and legal description of the easements shall be determined by the commissioner of natural resources.

(c) The land to be sold is located in Cook County and described as: Part of the Northeast Quarter of the Northwest Quarter, Section 20, Township 62 North, Range 4 East, beginning at the quarter post between Sections 17 and 20; thence running South 16 rods (264 feet); thence West 10 rods (165 feet); thence North 16 rods (264 feet); thence East 10 rods (165 feet) to the place of beginning. That portion of the Northeast Quarter of the Northwest Quarter, Section 20, Township 62 North, Range 4 East, described as follows: Starting from a point on the east line of said forty-acre tract 264 feet South of the northeast corner thereof as the point of beginning; thence West 165 feet along the south line of the tract of land heretofore deeded by the grantors herein to the town of Hovland, which deed is recorded in the office of the register of deeds of Cook County, in Book R of Deeds on page 262 thereof; thence West five feet; thence South 115 feet more or less to the north bank of Flute Reed River; thence southeasterly along the north bank of said river 214 feet more or less to the east line of the above described forty-acre tract; thence North along said east line 237 feet more or less to the point of beginning.

(d) The parcel described in paragraph (c) is removed from the Grand Portage State Forest.

(e) The parcel described in paragraph (c) is a former forestry office site and it has been determined that this site is no longer needed for natural resources purposes.

**Sec. 16. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CROW WING COUNTY.]**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Crow Wing

County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be sold is located in Crow Wing County and is described as: undivided 1/3 interest in the Northwest Quarter of the Southeast Quarter, Section 8, Township 45 North, Range 28 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 17. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING ON PUBLIC WATER OR WETLANDS; HENNEPIN COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45, 103F.535, and 282.018, subdivision 1, Hennepin County may subdivide a larger tract of tax-forfeited land bordering Avalon Channel, Black Lake, Lake Minnetonka, and described as Lot 18, also Lots 29 to 32 inclusive, Block 24, "Seton," situated in the city of Mound and may sell the portion of the parcel of tax-forfeited lands bordering public water or natural wetlands that is described in paragraph (c) according to this section.

(b) The conveyance must be in a form approved by the attorney general and must be subject to restrictions imposed by the commissioner of natural resources, including but not limited to the requirement that no new structures, other than docks, shall be allowed on the portion of the parcel Hennepin County may sell, and further requirement that the balance of the tax-forfeited parcel not sold shall remain in city park status. The land described in paragraph (c) must be sold under the alternate sale provisions in Minnesota Statutes, section 282.01, subdivision 7a.

(c) The parcel of land that may be sold is described as: that part of Lot 29, Block 24, "Seton," lying easterly of the northerly extension of the west line of the East 10 feet of Lot 4, Block 1, Avalon.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

[EFFECTIVE DATE.] This section is effective the day following final enactment and upon delivery by the city of Mound to the Hennepin County auditor a deed reconveying portions of tax-forfeited land to the state of Minnesota for that portion described in paragraph (c) that may be sold by Hennepin County.

Sec. 18. [PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; HENNEPIN COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of chapter 282, Hennepin County may sell the tax-forfeited land described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for no less than the appraised value of the land.

(c) The land to be sold is located in Hennepin County and is described as: Lot 17, Block 1, Beamish Shores Second Addition.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 19. [PRIVATE SALE OF TAX-FORFEITED LAND; ITASCA COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Itasca County may sell by private sale the tax-forfeited land described in paragraph (c) to an adjoining landowner to resolve an encroachment.

(b) The conveyance must be in a form approved by the attorney general for consideration no less than the appraised value of the land.

(c) The land to be sold is located in Itasca County and is described as: the North 150 feet of the East 175 feet of Government Lot 8, Section 21, Township 55 North, Range 26 West.

(d) The county has determined that the county's land management interests would best be served if the parcel was returned to private ownership.

Sec. 20. [PRIVATE SALE OF CONSOLIDATED CONSERVATION LAND; LAKE OF THE WOODS COUNTY.]

(a) Notwithstanding Minnesota Statutes, chapters 84A, 94, and 282, the commissioner of natural resources may sell by private sale the surplus land described in paragraph (c) according to this section.

(b) The sale must be in a form approved by the attorney general and may be for less than the appraised value. The attorney general may make necessary changes in the legal description to correct errors and ensure accuracy. Proceeds shall be disposed of according to Minnesota Statutes, chapter 84A.

(c) The land to be sold is located in Lake of the Woods County and described as: 1 acre, more or less, located in the North Half of the North Half of Northeast Quarter of the Northwest Quarter, Section 23, Township 160 North, Range 33 West, known as Potamo Cemetery.

(d) The land described in paragraph (c) is a burial ground and thus not suitable for natural resource purposes.

Sec. 21. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; MAHNOMEN COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Mahnomen County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for no less than the appraised value of the land.

(c) The land to be sold is located in Mahnomen County and is described as: Parcel Number R15.009.0600 in Government Lot 2, Section 9, Township 144 North, Range 41 West.

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership.

Sec. 22. [PUBLIC SALE OF TRUST FUND LAND BORDERING PUBLIC WATER; MILLE LACS COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the school trust fund land bordering public water that is described in paragraph (c), under the remaining provisions in Minnesota Statutes, chapter 92.

(b) The conveyance shall be in a form approved by the attorney general for consideration no less than the appraised value of the land. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Mille Lacs County and is described as follows: Lot 2, Section 16, Township 42 North, Range 26 West.

(d) The commissioner of natural resources has determined that the land is no longer needed for any natural resource purpose and that the state's land management interests would best be served if the land was sold.

Sec. 23. [PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; MILLE LACS COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus state land bordering public water that is described in paragraph (c) under the provisions of Minnesota Statutes, chapter 94, or Laws 2003, First Special Session chapter 1, article 1, section 31.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Mille Lacs County and is described as: Government Lots 1 and 2 of Section 21, Township 43 North, Range 27 West, except the south 560 feet of said Government Lot 2 lying between U.S. Highway No. 169 and Mille Lacs Lake; also except the north 205.97 feet of said Government Lot 1 lying west of the westerly right-of-way line of U.S. Highway No. 169; also except that portion taken for trunk highway purposes in addition to the existing highway, together with all right of access being the right of ingress to and egress from all that portion of the above-described property to Trunk Highway No. 169.

(d) The commissioner has determined that the state's land management interests would best be served if the land was sold.

Sec. 24. [CONVEYANCE OF SURPLUS STATE LAND; OLMSTED COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of administration shall convey to the city of Rochester for no consideration the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be conveyed is located in Olmsted County and is described as:

All that part of the Southwest Quarter and all that part of the West Half of the Southeast Quarter, in Section 5, Township 106 North, Range 13 West, Olmsted County, Minnesota which lies south of Trunk Highway No. 14; also, all that part of the Northwest Quarter of the Southeast Quarter in Section 6, Township 106 North, Range 13 West, Olmsted County, Minnesota which lies south of Trunk Highway No. 14; containing in all approximately 175 acres.

(d) The commissioner has determined that the land is no longer needed for any state purpose and that the state's land management interests would best be served if the land was conveyed to and used by the city of Rochester.

Sec. 25. [CONVEYANCE OF SURPLUS STATE LAND; REDWOOD COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 16A.695, 16C.23, 94.09 to 94.16, or other law to the contrary, the commissioner of administration and the Minnesota Historical Society may convey to the Lower Sioux Indian community in Redwood County, for no consideration, the surplus land described in paragraph (d).

(b) For the sole purposes of this act, the Lower Sioux Indian community is a public agency and there is a state need to convey the property described in paragraph (d) to be used by the community for essential governmental purposes, including the operation of programs for the interpretation of Minnesota history.

(c) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes in the legal description of paragraph (d) to correct errors and ensure accuracy.

(d) The land to be conveyed is located in Redwood County, consists of approximately 242 acres, and is described as:



(1) land owned by the Minnesota Historical Society:

(i) Government Lots 5 and 6, in Section 5, Township 112 North, Range 34 West;

(ii) the Northwest Quarter of the Northwest Quarter of Section 8, Township 112 North, Range 34 West; and

(iii) all that part of the East Half of the Northwest Quarter of Section 8, Township 112 North, Range 34 West, lying north of Redwood County Highway No. 2; and

(2) land owned by the state of Minnesota:

(i) Government Lots 2 and 3 of Section 8, Township 112 North, Range 34 West, EXCEPTING THEREFROM all that part of Government Lot 2 of said Section 8 described as follows: Beginning at a point on the south line of said Government Lot 2 a distance of 350.00 feet easterly of the southwest corner of said Government Lot 2; thence along the south line of said Government Lot 2 on an assumed bearing of North 89 degrees 58 minutes East for 422.40 feet; thence North 6 degrees 58 seconds East for 115.00 feet; thence South 78 degrees 18 minutes 34 seconds West for 451.09 feet to the point of beginning;

(ii) the North 8 acres of the Southeast Quarter of the Northeast Quarter of Section 8, Township 112 North, Range 34 West;

(iii) the North 6.76 acres of Government Lot 7 in Section 9, Township 112 North, Range 34 West;

(iv) all that part of the Northeast Quarter of the Northwest Quarter of Section 8, Township 112 North, Range 34 West, lying south of Redwood County Highway No. 2; and

(v) all that part of the Southwest Quarter of the Northeast Quarter of Section 8, Township 112 North, Range 34 West, described as follows: Beginning at the northwest corner of the Southwest Quarter of the Northeast Quarter of said Section 8; thence along the north line of the Southwest Quarter of the Northeast Quarter of said Section 8 on an assumed bearing of North 89 degrees 58 minutes East for 270.90 feet; thence South 10 degrees 40 minutes 37 seconds West for 158.80 feet to the northerly right-of-way of County Road 2; thence North 62 degrees 18 minutes 09 seconds West along the northerly right-of-way line of County Road 2 for 272.73 feet to the north quarter line of said Section 8; thence North 29.13 feet to the point of beginning.

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

Sec. 26. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ROCK COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Rock County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. A deed restriction shall be a part of the sale that prevents any tillage or building construction on the property, and grazing shall be limited to stocking rates approved by the USDA Natural Resources Conservation Service.

(c) The land to be sold is located in Rock County and is described as: the North 580.08 feet of the South 2112.08 feet of the East 875 feet of the SE 1/4 of Section 26, Township 104 North, Range 44 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 27. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ROSEAU COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Roseau County may convey to a public entity for no consideration the tax-forfeited land bordering public water that is described in paragraph (c) or may sell the land to a public entity for the appraised value.

(b) The conveyance or sale must be in a form approved by the attorney general. A conveyance for no consideration must provide that the land reverts to the state if the public entity stops using the land for a public purpose.

(c) The land to be conveyed is located in Roseau County and is described as:

(1) Lot 2, Soler Township, Section 2, Township 162 North, Range 43 West;

(2) Lot 3, Soler Township, Section 2, Township 162 North, Range 43 West;

(3) Lot 4, Soler Township, Section 2, Township 162 North, Range 43 West;

(4) the Northeast Quarter of the Southeast Quarter, Section 18, Township 163 North, Range 44 West;

(5) the Northwest Quarter of the Southwest Quarter, Section 27, Township 163 North, Range 44 West;

(6) the Southwest Quarter of the Southwest Quarter, Section 27, Township 163 North, Range 44 West; and

(7) the Northwest Quarter of the Northwest Quarter, Section 34, Township 163 North, Range 44 West.

(d) The county has determined that the county's land management interests would best be served if the land were conveyed to a public entity.

**Sec. 28. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ROSEAU COUNTY.]**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Roseau County may convey to a public entity for no consideration the tax-forfeited land bordering public water that is described in paragraph (c), sell to a public entity for the appraised value, or sell by public sale under the remaining provisions of Minnesota Statutes, chapter 282, the lands bordering public waters described in paragraph (c).

(b) The conveyance or sale must be in a form approved by the attorney general and reserve an easement for potential trail purposes and a road easement across the Southeast Quarter of the Northeast Quarter of Section 18, Township 163, Range 44, to provide access to state lands and the Roseau River Access.

(c) The land to be conveyed is located in Roseau County and described as:

(1) the Northeast Quarter of the Northeast Quarter, Section 18, Township 163 North, Range 44 West;

(2) the Southeast Quarter of the Northeast Quarter, Section 18, Township 163 North, Range 44 West;

(3) the Northwest Quarter of the Southeast Quarter, Section 18, Township 163 North, Range 44 West;

(4) the Southwest Quarter of the Southeast Quarter, Section 18, Township 163 North, Range 44 West;

(5) the Southeast Quarter of the Southeast Quarter, Section 18, Township 163 North, Range 44 West; and

(6) the Southwest Quarter of the Northwest Quarter, Section 27, Township 163 North, Range 44 West.

(d) The county has determined that the county's best interests would be served if the land were conveyed to an outside interest subject to the trail and road easements.

Sec. 29. [CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ROSEAU COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Roseau County may sell the tax-forfeited land described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for no less than the appraised value of the land.

(c) The land to be sold is located in Roseau County and is described as: the Northwest Quarter of the Northeast Quarter of Section 20, Township 163 North, Range 36 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 30. [PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of Iron Range resources and rehabilitation may sell by private sale for economic development purposes the surplus land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general for consideration no less than the appraised value of the land.

(c) The land to be sold is located in St. Louis County and is described as:

(1) the Southwest Quarter, Section 7, Township 59 North, Range 15 West;

(2) the West Half of the Southeast Quarter, Section 7, Township 59 North, Range 15 West;

(3) Government Lot 2, Section 18, Township 59 North, Range 15 West;

(4) Government Lots 2 and 3, Section 19, Township 59 North, Range 15 West;

(5) Government Lot 1, Section 30, Township 59 North, Range 15 West; and

(6) Government Lot 4, Section 30, Township 59 North, Range 15 West.

Sec. 31. [PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus state land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 92.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in St. Louis County and is described as follows: Outlot A, Lake Leander Homesite Plat No. 1, Section 16, Township 60 North, Range 19 West.

(d) The conveyance shall reserve an access easement across the land to ensure access to Lot 11, Block 1 of Lake Leander Homesite Plat No. 1.

(e) The commissioner has determined that the state's land management interests would best be served if the land was sold.

Sec. 32. [PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, St. Louis County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

(1) NE1/4 of SW1/4, Section 19, T52N, R20W;

(2) NE1/4 of NE1/4 and NW1/4 of NE1/4 ex part wly of centerline of County Rd #44, Section 22, T56N, R12W;

(3) that part of NE1/4 of SE1/4 lying S of Floodwood River, Section 19, T52N, R20W;

(4) NW1/4 of SE1/4 ex W1/2 and E165 ft of W1/2 of NW1/4 of SE1/4, Section 5, T51N, R13W;

(5) NE1/4 of SW1/4 inc E1/2 of NW1/4 of SW1/4, Section 32, T52N, R14W;

(6) that part of SW1/4 of SE1/4 lying W of county rd ex sly 2 ac, Section 21, T56N, R18W; and

(7) Lot 7 ex part lying S and E of centerline of Co Rd #609, Section 1, T56N, R16W.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

(e) Easements: for the NE1/4 of NE1/4 and NW1/4 of NE1/4 ex part wly of centerline of County Road #44, Section 22, T56N, R12W and the NW1/4 of SE1/4 ex W1/2 and E165 ft of W1/2 of NW1/4 of the SE1/4 of Section 5, T51N, R13W, the county shall grant an easement to the state to the bed of the designated trout stream or tributary and a strip of land no wider than will be enclosed between the top edge of the streambank and a line parallel thereto and 66 feet distance therefrom on either side of the stream as it crosses St. Louis County tax-forfeited land for the purpose of fish stocking and the development of fish habitat in the described area, including tree planting, fencing, erosion control, installation of instream structures, posting of signs and other improvements as deemed necessary, and angling by the public in the described area; and, For the NE1/4 of SW1/4, Section 19, T52N, R20W and that part of NE1/4 of SE1/4 lying S of Floodwood River, Section 19, T52N, R20W, the county shall grant to the state an easement to the bed of the stream and a strip of land no wider than will be enclosed between the top edge of the streambank and a line parallel thereto and 50 feet distance therefrom on either side of the Floodwood River as it crosses the St. Louis County tax-forfeited land for the purpose of fish stocking and the development of fish habitat in the described area, including tree planting, fencing, erosion control, installation of instream structures, posting of signs and other improvements as deemed necessary, and angling by the public in the described area; and, For the NE1/4 of SW1/4 inc E1/2 of NW1/4 of SW1/4, Section 32, T52N, R14W, the county shall grant to the state an easement to the bed of the stream and a strip of land no wider than will be enclosed between the top edge of the streambank and a line parallel thereto and 50 feet distance therefrom on either side of the inlet stream to Fish Lake Reservoir as it crosses the St. Louis County tax-forfeited land for the purpose of fish stocking and the development of fish habitat in the described area, including tree planting, fencing, erosion control, installation of instream structures, posting of signs and other improvements as deemed necessary, and angling by the public in the described area; and for Lot 7 ex part lying S and E of centerline of Co Rd #609, Section 1, T56N, R16W, the county shall grant to the state an easement of 66 feet from the ordinary high water mark of Mud Hen Lake for the purpose of providing protection of riparian vegetation, angler access for fishing, and Department of Natural Resources access for habitat improvement.

Sec. 33. [PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

(1) part of SE1/4 of SE1/4 lying within 33 ft on each side of a line comm at E1/4 cor of sec; thence wly on E-W1/4 line with an assumed azimuth of 269 degrees 06 minutes 51 seconds 384.05 ft; thence at an azimuth of 204 degrees 41 minutes 21 seconds 1179.68 ft; thence at an azimuth of 205 degrees 41 minutes 50 seconds 288 ft to N line of forty and the point of beg; thence continue on previous azimuth 660 ft to W line of forty, Section 11, T51N, R15W;

(2) NW1/4 of NE1/4 ex part lying E of a line 33 ft ely of a line beg on N line at an azimuth of 269 degrees 6 minutes 49 seconds 361.54 ft from NE cor; thence at an azimuth of 205 degrees 41 minutes 0 seconds 1217.71 ft; thence at an azimuth of 128 degrees 43 minutes 18 seconds 362 ft to S line and ex part lying W of a line which is 33 ft W of above described line, Section 14, T51N, R15W; and

(3) that part of NE1/4 of SE1/4 lying within 33 ft ely and 33 ft wly of following desc line comm at E quarter cor of Sect 11; thence wly on E-W quarter line which has an assumed azimuth (0 degrees N) of 269 degrees 6 minutes 51 seconds for 384.05 ft to pt of beg of desc line; thence at an azimuth of 204 degrees 41 minutes 21 seconds for 1179.68 ft; thence at an azimuth of 205 degrees 41 minutes 50 seconds for 288 ft to S line of forty, Section 11, T51N, R15W. The county may sell the undivided 17/32 interest in the Northeast Quarter of the Southeast Quarter and the Northwest Quarter of the Southeast Quarter, Section 34, Township 59 North, Range 18 West, by private sale notwithstanding Minnesota Statutes, section 282.01, subdivision 8, and the public sale provisions of Minnesota Statutes, chapter 282, under the remaining provisions of Minnesota Statutes, chapter 282, subject to the approval of the commissioner.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 34. [PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal descriptions to correct errors and ensure accuracy. For the undivided 17/32 interest in the Northeast Quarter of the Southeast Quarter and the Northwest Quarter of the Southeast Quarter, all in Section 34, Township 59 North, Range 18 West, the conveyance must provide that the land is subject to the terms and conditions of State Taconite Iron Ore Mining Lease Numbered T-5036. The commissioner of natural resources may approve sale upon a determination that the taconite resource has been removed from the land to be sold.

(c) The land to be sold is located in St. Louis County and is described as:

(1) NW1/4 of SE1/4, Section 34, T59N, R18W (17/32 undivided interest);

(2) NE1/4 of SE1/4, Section 34, T59N, R18W;

(3) NE1/4 of SW1/4, Section 34, T59N, R18W; and

(4) SE1/4 of NW1/4, Section 34, T59N, R18W.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership for stockpiling use.

Sec. 35. [PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

(1) the easterly 240.00 feet of the southerly 380.00 feet of the Northwest Quarter of the Northeast Quarter of Section 4, Township 62 North, Range 13 West, St. Louis County, Minnesota. This parcel contains 2.08 acres more or less; and

(2) the westerly 360.00 feet of the southerly 380.00 feet of the Northeast Quarter of the Northeast Quarter of Section 4, Township 62 North, Range 13 West, St. Louis County, Minnesota. This parcel contains 3.14 acres more or less.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 36. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; providing for public and private sales of certain state lands; removing land from certain state forests; removing land from the Mississippi Recreational River Land Use District; amending Laws 1999, chapter 161, section 31, subdivisions 3, 5, 8; Laws 2003, First Special Session chapter 13, section 16."

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

**Senator Marty from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 2889:** A bill for an act relating to the environment; providing authority, direction, and funding to achieve and maintain water quality standards for Minnesota's surface waters; appropriating money; amending Minnesota Statutes 2002, section 290.06, subdivision 1; Minnesota Statutes 2003 Supplement, section 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Pages 1 and 2, delete section 2

Page 2, line 10, delete "9" and insert "8"

Page 3, delete lines 28 to 32

Page 3, line 33, delete "11" and insert "10"

Page 8, delete lines 3 to 13

Page 8, line 14, delete "4" and insert "3"

Page 13, line 35, delete "7" and insert "6"

Page 13, line 36, delete "10" and insert "9"

Renumber the sections in sequence

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

**Senator Lourey from the Committee on Health and Family Security, to which was referred**

**S.F. No. 689:** A bill for an act relating to health professions; establishing a registration system for massage therapists and Asian bodywork therapists; authorizing rulemaking; providing criminal penalties; amending Minnesota Statutes 2002, sections 13.411, by adding a subdivision; 116J.70, subdivision 2a; 144.335, subdivision 1; 214.23, subdivision 1; 604A.01, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 148D.

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

Delete everything after the enacting clause and insert:

"Section 1. [148.2855] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms defined in this section apply to sections 148.2855 to 148.2865.

Subd. 2. [ASIAN BODYWORK THERAPIST.] "Asian bodywork therapist" means an individual who practices Asian bodywork therapy.

Subd. 3. [ASIAN BODYWORK THERAPY.] "Asian bodywork therapy" means therapy that uses Asian medical theory and principles and Asian massage methods or techniques including pressure; kneading; vibration; tapping; placement of the hands on the body to affect the energy field of the body; the topical application of herbal preparations, oils, liniments, magnets, cupping, indirect moxibustion, or other devices; and the application of heat or cold. Asian bodywork therapy is administered for the purposes of maintaining, restoring, and enhancing health; relaxing musculature; increasing range of motion; reducing stress; relieving pain; and improving circulation or lymphatic flow, or both. It does not include any form of diagnosis, nor does it include seepage or breakage of skin, laser, electro stem devices, 7 star, skin moxa, or needles, nor does it attempt to adjust or manipulate any articulations of the body or spine as described in section 146.23 or 148.01, nor to mobilize articulations of the body or spine by means of a thrusting force.

Subd. 4. [ASIAN MEDICINE.] "Asian medicine" means a system of healing arts that perceives the circulation and balance of energy in the body as being fundamental to the well-being of the individual. Asian medicine implements this theory through specialized methods of analyzing the energy status of the body and treating the body with Asian bodywork therapy and other related modalities for the purposes of strengthening the body, improving energy balance, maintaining or restoring health, improving physiological function, and reducing pain.

Subd. 5. [BOARD.] "Board" means the state board of chiropractic examiners.

Subd. 6. [CUPPING.] "Cupping" means a therapy in which a jar-shaped instrument is attached to the skin and negative pressure is created by using suction and does not include seepage or breakage of skin.

Subd. 7. [MASSAGE THERAPIST.] "Massage therapist" means an individual who practices massage therapy.

Subd. 8. [MASSAGE THERAPY.] "Massage therapy" means a therapy that involves systematic manipulation of or pressure on soft tissues of the human body for therapeutic purposes. Massage therapy includes methods or techniques such as effleurage, petrissage, tapotement, compression, vibration, friction, or facial manipulation applied manually or by mechanical device that mimics or enhances the actions of the hands, and the application of oils, lotions, or similar

preparations. Massage therapy is administered for the purposes of maintaining, restoring, and enhancing health; relaxing musculature; increasing range of motion; reducing stress; relieving pain; and improving circulation or lymphatic flow, or both. It does not include any form of diagnosis, nor does it attempt to adjust or manipulate any articulations of the body or spine as described in section 146.23 or 148.01, nor to mobilize articulations of the body or spine by means of a thrusting force.

Subd. 9. [INDIRECT MOXIBUSTION.] "Indirect moxibustion" means the application of heat to acupuncture points or other areas of the body by the use of the herb commonly known as moxa and does not include direct application to the skin. To treat a specific point, the herb is generally powdered, rolled into a small cone, and lit.

Subd. 10. [MUNICIPALITY.] "Municipality" means a county, town, home rule charter or statutory city, or other municipal corporation or political subdivision of the state.

Sec. 2. [148.2856] [MESSAGE THERAPISTS AND ASIAN BODYWORK THERAPISTS.]

Sections 148.2855 to 148.2865 apply only to individuals who are applicants for registration, who are registered, who represent that they are registered, or who use protected titles.

Sec. 3. [148.2857] [DUTIES OF THE BOARD OF CHIROPRACTIC EXAMINERS.]

The board shall:

- (1) determine necessary forms;
- (2) issue registrations to qualified applicants; and
- (3) keep a complete record of registered massage therapists and Asian bodywork therapists, maintain a current official listing of the names and addresses of registered massage therapists and Asian bodywork therapists, and make a copy of the listing available upon request to any member of the public upon payment of a copying fee.

Sec. 4. [148.2858] [REGISTRATION.]

Subdivision 1. [ESTABLISHMENT.] Beginning January 1, 2005, the board shall issue a registration to an individual applying for massage therapy registration who meets the qualifications in section 148.2861 or to an individual applying for Asian bodywork therapy registration who meets the qualifications in section 148.2862.

Subd. 2. [REGISTRATION PROCEDURES.] To apply for registration, an applicant must:

- (1) submit an application for registration at a time and in a form established by the board; and
- (2) submit all fees required by the board.

Subd. 3. [ADVERTISING.] A registered therapist's registration number must appear in all advertisements by the therapist.

Sec. 5. [148.2859] [TITLE PROTECTION.]

Subdivision 1. [PROTECTED TITLES.] No individual may use or advertise in a public or private communication any title protected in this section unless the individual is registered under sections 148.2855 to 148.2863. Protected titles are registered massage therapist (RMT), state registered massage therapist (SRMT), registered Asian bodywork therapist (RABT), state registered Asian bodywork therapist (SRABT), or any other derivation or abbreviation of terms that indicate or imply registration by the state of Minnesota as a massage therapist or Asian bodywork therapist.

Subd. 2. [TITLES NOT PROTECTED.] A practitioner of massage therapy or Asian bodywork therapy, including individuals who are not registered under sections 148.2855 to 148.2865, may use any title not protected by this section that implies or indicates a massage therapy or Asian



bodywork therapy technique, method, or practitioner, including, but not limited to, the title massage therapist or Asian bodywork therapist except as prohibited under subdivision 4.

Subd. 3. [CERTIFICATES FROM OTHER ORGANIZATIONS.] Massage therapists or Asian bodywork therapists who have received certificates from organizations, associations, or educational corporations are not prohibited from using the term "certified" in any form of advertising when referring to those trainings, provided that the originating body for the certification is stated clearly in the advertisement.

Subd. 4. [LICENSURE.] No individual practicing massage therapy or Asian bodywork therapy may use the title "licensed massage therapist" or "licensed Asian bodywork therapist" or any other titles, words, letters, abbreviations, or insignia indicating or implying that the individual is licensed as a massage therapist or an Asian bodywork therapist.

Sec. 6. [148.2861] [QUALIFICATIONS FOR REGISTRATION; MASSAGE THERAPY.]

An applicant for state registration for massage therapy must meet all of the following requirements:

- (1) be 18 years of age or older;
- (2) have obtained a high school diploma or the equivalent;
- (3) show evidence of maintaining current professional liability insurance;
- (4) have achieved a passing score on the National Certification Examination for Therapeutic Massage and Bodywork or a board-approved equivalent examination;
- (5) have done one of the following:
  - (i) successfully completed a course of study consisting of 500 or more classroom hours of supervised instruction from a recognized school with a curriculum that includes:
    - (A) a minimum of 100 hours of anatomy, physiology, and kinesiology;
    - (B) a minimum of 300 hours of theory, technique, and supervised clinical or in-class practice-related modalities of massage therapy, with at least 150 of those hours being practical technique, with a passing score on a competency-based examination demonstrating skills and ability in massage therapy techniques; and
    - (C) a minimum of 100 hours of related coursework, which must include, at a minimum, pathology; contraindications; business practices and professional ethics; and cardiopulmonary resuscitation and first aid; or
  - (ii) qualified for the National Certification Examination for Therapeutic Massage and Bodywork by the portfolio review process or the current equivalent; and
- (6) have achieved a passing score on an examination of relevant state laws, if an examination is prescribed by the board.

Sec. 7. [148.2862] [QUALIFICATIONS FOR REGISTRATION; ASIAN BODYWORK THERAPY.]

An applicant for state registration for Asian bodywork therapy must meet all of the following requirements:

- (1) be 18 years of age or older;
- (2) have obtained a high school diploma or the equivalent;
- (3) show evidence of maintaining current professional liability insurance;
- (4) have achieved a passing score on the Comprehensive Written Examination in Asian

Bodywork Therapy administered by the National Commission for the Certification of Acupuncture and Oriental Medicine, the National Certification Examination for Therapeutic Massage and Bodywork, or a board-approved equivalent formulated examination;

(5) have done one of the following:

(i) successfully completed a course of study consisting of 500 or more classroom hours of supervised instruction from a recognized school with a curriculum that includes:

(A) a minimum of 100 hours of anatomy and physiology and Western pathology;

(B) a minimum of 100 hours of Asian medical theory;

(C) a minimum of 160 hours of technique and practice-related modalities of Asian bodywork therapy with a passing score on a competency-based examination demonstrating skills and ability in Asian bodywork therapy techniques;

(D) a minimum of 70 hours of supervised clinical application; and

(E) a minimum of 70 hours of related coursework, which must include, at a minimum, business practices and professional ethics; law considerations; Asian pathology; contraindications; and cardiopulmonary resuscitation and first aid;

(ii) qualified for the Comprehensive Written Examination in Asian Bodywork Therapy by the portfolio review process or the current equivalent; or

(iii) qualified for the National Certification Examination for Therapeutic Massage and Bodywork with training hours that include 260 or more classroom hours of Asian bodywork therapy and applications; and

(6) have achieved a passing score on an examination of relevant state laws, if an examination is prescribed by the board.

Sec. 8. [148.2863] [REGISTRATION RENEWAL AND FEES.]

State registrations expire triennially and must be renewed as prescribed by rule. Upon payment of the renewal fee and compliance with all the rules of the board, the applicant shall be entitled to renewal of the state registration.

Sec. 9. [148.2864] [RULEMAKING.]

The board shall adopt rules to establish procedures for registration and registration renewal and as necessary to implement sections 148.2855 to 148.2865.

Sec. 10. [148.2865] [FEES.]

Subdivision 1. [FEES.] The board shall establish fees as follows:

(1) application fee, \$..;

(2) registration fee, \$...; and

(3) late fee, \$...

Subd. 2. [PRORATION OF FEES.] The board may prorate the initial fee for registration under section 148.2858. Massage therapists and Asian bodywork therapists registered under section 148.2858 are required to pay the full fee upon registration renewal.

Subd. 3. [NONREFUNDABLE FEES.] The fees in this section are nonrefundable.

Sec. 11. [148.2866] [MUNICIPAL REGULATION.]

A municipality may not require an individual who is state-registered under sections 148.2855 to

148.2866 and who performs massage therapy or Asian bodywork therapy within its jurisdiction to also hold a professional massage therapy or Asian bodywork therapy license issued by the municipality. Nothing in this chapter preempts or supersedes any municipal ordinance relating to land use, building and construction requirements, nuisance control, the licensing of commercial enterprises in general, or the professional licensing of individuals who are not state-registered under this chapter but who perform massage therapy or Asian bodywork therapy.

Sec. 12. [REGISTRATION DURING TRANSITIONAL PERIOD; MASSAGE THERAPISTS.]

For a period of one year beginning on a date determined by the board, an applicant may qualify for state registration as a massage therapist if the applicant does not meet the examination and educational requirements in Minnesota Statutes, section 148.2861, by providing the following:

(1) a notarized affidavit by the applicant stating completion of 100 hours of supervised massage therapy instruction or training and any two of the following:

(i) a notarized affidavit by the applicant stating that the applicant has been in practice for at least two years, with a minimum of 150 documented client hours per year;

(ii) evidence of maintaining current membership in a national professional association; or

(iii) photocopies of ten weeks from the applicant's current and/or past appointment books accompanied by an affidavit stating that the appointments indicated are evidence of massage therapy clientele;

(2) a notarized affidavit stating that the applicant has resided in Minnesota for at least one year prior to submitting the application and that the applicant has had no convictions of a felony, gross misdemeanor, or misdemeanor reasonably related to the practice of massage therapy. Conviction, as used in this clause, includes a conviction of an offense that if committed in this state would be considered a felony, gross misdemeanor, or misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered; and

(3) verification that the applicant is 18 years of age or older.

For renewal, the applicant must meet the requirements in Minnesota Statutes, section 148.2863.

Sec. 13. [REGISTRATION DURING TRANSITIONAL PERIOD; ASIAN BODYWORK THERAPISTS.]

For a period of one year beginning on a date determined by the board, an applicant may qualify for state registration as an Asian bodywork therapist if the applicant does not meet the examination and educational requirements in Minnesota Statutes, section 148.2861, by providing the following:

(1) a notarized affidavit by the applicant stating completion of 100 hours of supervised Asian bodywork therapy instruction or training and any two of the following:

(i) a notarized affidavit by the applicant stating that the applicant has been in practice for at least two years, with a minimum of 150 documented client hours per year;

(ii) evidence of maintaining current membership in a national professional association; or

(iii) photocopies of ten weeks from the applicant's current and/or past appointment books accompanied by an affidavit stating that the appointments indicated are evidence of Asian bodywork clientele;

(2) a notarized affidavit stating that the applicant has resided in Minnesota for at least one year prior to submitting the application and that the applicant has had no convictions of a felony, gross misdemeanor, or misdemeanor reasonably related to the practice of massage therapy or Asian bodywork therapy. Conviction, as used in this clause, includes a conviction of an offense that if

committed in this state would be considered a felony, gross misdemeanor, or misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered; and

(3) verification that the applicant is 18 years of age or older.

For renewal, the applicant must meet the requirements in Minnesota Statutes, section 148.2863.

Sec. 14. [EFFECTIVE DATE.]

This act is effective 60 days following final enactment."

Amend the title as follows:

Page 1, line 4, delete "providing"

Page 1, delete lines 5 to 9 and insert "proposing coding for new law in Minnesota Statutes, chapter 148."

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

**Senator Lourey from the Committee on Health and Family Security, to which was referred**

**S.F. No. 339:** A bill for an act relating to health; establishing the Minnesota universal health board; creating the Minnesota universal health program; establishing the Minnesota health care trust fund; establishing statewide and regional health care budgets; abolishing the Minnesota health care commission; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 62J; proposing coding for new law as Minnesota Statutes, chapter 62K; repealing Minnesota Statutes 2002, section 62J.212.

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

Page 1, line 26, delete "locally controlled"

Page 2, line 1, delete the comma and insert "and"

Page 2, line 2, delete ", and purchasers"

Page 2, delete lines 8 to 11

Page 2, line 12, delete "(4)" and insert "(3)" and delete "commissioner" and insert "Minnesota Universal Health Board"

Page 2, line 19, delete "(5)" and insert "(4)"

Page 2, line 22, delete "(6)" and insert "(5)"

Page 3, line 33, delete everything after "hold"

Page 3, delete lines 34 and 35

Page 3, line 36, delete everything before the period and insert "a hearing or hearings after providing public notice"

Page 4, line 8, delete "2004" and insert "2005"

Page 4, line 12, delete "July 1, 2004" and insert "August 1, 2005"

Page 4, line 16, delete "October 1, 2004" and insert "November 1, 2005"

Page 4, line 20, delete "2005" and insert "2006"

Page 4, line 21, delete "2005" and insert "2006"

Page 4, line 22, delete "2005" and insert "2006" and delete "2004" and insert "2005"

Page 4, line 25, delete "2006" and insert "2007"

Page 4, lines 26, 28, and 30, delete "2005" and insert "2006"

Page 4, line 33, delete "4" and insert "3" and delete "2004" and insert "2005"

Page 5, delete lines 7 to 15

Page 5, line 16, delete "5" and insert "4"

Page 5, after line 17, insert:

"Subd. 5. [FREESTANDING OUTPATIENT FACILITY.] "Freestanding outpatient facility" means a health care facility, including, but not limited to, an outpatient surgical center, a diagnostic imaging facility, or a physician clinic, that is not physically attached to a hospital and that provides for the care of human beings."

Page 5, lines 26 and 27, delete "health maintenance organization,"

Page 7, line 19, delete the period and insert a semicolon and delete "The"

Page 7, delete lines 20 and 21

Page 7, line 26, delete "regional" and after the semicolon, insert:

"(7) approve capital expenditures for freestanding outpatient facilities;"

Page 7, line 27, delete "(7)" and insert "(8)"

Page 7, line 30, delete "(8)" and insert "(9)"

Page 7, line 32, delete "(9)" and insert "(10)"

Page 7, line 34, delete "(10)" and insert "(11)"

Page 7, line 36, delete "(11)" and insert "(12)"

Page 8, line 7, delete "(12)" and insert "(13)"

Page 8, line 12, delete "(13)" and insert "(14)"

Page 8, line 15, delete "(14)" and insert "(15)"

Page 8, line 19, delete "(15)" and insert "(16)"

Page 9, line 4, delete "2004" and insert "2005"

Page 9, lines 5, 14, and 16, delete "2005" and insert "2006"

Page 9, lines 7, 22, 25, and 29, delete "2006" and insert "2007"

Page 10, lines 4, 7, 9, 14, 20, and 22, delete "2006" and insert "2007"

Page 11, delete line 27 and insert:

"Subd. 4. [INTERPRETATION, COMMUNICATION, AND TRANSPORTATION ACCOUNT.] The interpretation,"

Page 11, line 28, after "communication" insert a comma

Page 11, delete line 30 and insert "used to fund (1) interpreter services, (2) communication and cooperation improvement efforts, and (3) transportation projects to"

Page 11, line 33, delete "also"

Page 12, delete lines 21 to 33

Page 12, line 34, delete "Subd. 2." and insert "Subdivision 1."

Page 13, delete lines 3 to 13

Page 13, line 14, delete "(d)" and insert "(b)"

Page 13, line 15, delete "who"

Page 13, line 16, delete everything before "if"

Page 13, delete lines 24 to 32

Page 13, line 33, delete "4" and insert "2"

Page 14, line 5, delete "5" and insert "3"

Page 14, line 8, delete "6" and insert "4"

Page 15, line 12, delete the comma

Page 15, line 13, delete everything before "provided"

Page 18, line 24, delete "2006" and insert "2007"

Page 18, line 28, delete "2004" and insert "2005"

Page 18, line 33, delete "2004" and insert "2005"

Page 18, line 34, delete "2006" and insert "2007"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "abolishing the Minnesota"

Page 1, line 7, delete "health care commission;"

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

**Senator Higgins from the Committee on State and Local Government Operations, to which was referred**

**S.F. No. 2762:** A bill for an act relating to state government; modifying the provision of telecommunications and information services by the commissioner of administration; amending Minnesota Statutes 2002, section 16B.465, as amended.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 16B.465, as amended by Laws 2003, chapter 130, section 12; and Laws 2003, First Special Session chapter 1, article 2, sections 41 and 42, is amended to read:

16B.465 [~~STATE INFORMATION INFRASTRUCTURE ENTERPRISE NETWORK.~~]

Subdivision 1. [~~POLICY.~~] (a) The ~~state through its departments and agencies~~ commissioner

shall seek ways to meet its the telecommunications and information services needs of the state, including political subdivisions in a manner that will help to promote investment and growth of the private sector information infrastructure throughout the state, and will ensure efficient, secure, and equitable network communications for and among government entities.

(b) The commissioner shall ensure that telecommunications and information services are acquired procured in a manner that:

(1) promotes the availability of technologies with statewide high-speed or advanced telecommunications capability for both public and private customers in a reasonable and timely fashion;

(2) enables the cost-effective provision of telecommunications and information services to the entities identified in this section the state;

(3) uses standards-based open, interoperable networks to the extent practicable and associated protocols and processes;

(4) promotes ensures fair and open competition in the delivery of telecommunications and information services;

(5) promotes economic development;

(6) allows effective state information infrastructure enterprise network management, responsiveness, and fault protection;

~~(6)~~ (7) provides enterprise networkwide security, stability, availability, reliability, and confidentiality as appropriate for promoting public safety, health, and welfare and the equitable delivery of public services; and

~~(7)~~ (8) meets performance standards that are reasonable and necessary.

~~(c) The state may purchase, own, or lease customer premises equipment. Customer premises equipment consists of terminal and associated equipment and inside wire located at an end user's premises and connected with communication channels at the point established in a building or a complex to separate customer equipment from the network. Customer premises equipment also includes, but is not limited to, communications devices eligible for distribution to communications impaired persons under section 237.51, subdivision 1.~~

~~(d) This section does not prohibit the commissioner or other governmental entity from owning, leasing, operating, and staffing a network operation center that allows the commissioner to test, troubleshoot, and maintain network operations.~~

Subd. 1a. [CREATION STATE ENTERPRISE NETWORK.] ~~Except as provided in subdivision 4, (a) The commissioner, through the state information infrastructure, in consultation with an Enterprise Network Council appointed by the commissioner with representation from state agencies, political subdivisions, private vendors, and those entities defined in subdivision 3, paragraph (b), shall design, plan, arrange for the, provision of, and manage a core state enterprise network that meets the voice, data, video, and other telecommunications transmission and information services to demands of state agencies and those entities defined in subdivision 3, paragraph (b). The commissioner, through the Office of Technology and in consultation with the Enterprise Network Council, shall establish and publish an open network plan, open network standards, and an open central services gateway architecture to the state enterprise network, along with necessary protocols and processes that will enable private sector vendors and their public sector customers as well as municipal and other public sector owned or managed networks to interconnect their networks with each other and the enterprise network outlined in the network plan on a nondiscriminatory basis at fair and reasonable rates. All entities listed in subdivision 3, paragraph (b), regardless of network provider, shall interconnect with the state enterprise network in accordance with the open network plan. The state information infrastructure may also serve educational institutions, including public schools as defined in section 120A.05, subdivisions 9, 11, 13, and 17, nonpublic, church or religious organization schools that provide instruction in~~

~~compliance with sections 120A.22, 120A.24, and 120A.41, and private colleges; public corporations; Indian tribal governments; state political subdivisions; and public noncommercial educational television broadcast stations as defined in section 129D.12, subdivision 2. It The state enterprise network is not a telephone company for purposes of chapter 237. The commissioner may purchase, own, or lease any telecommunications network facilities or equipment after first seeking bids or proposals and having determined that the private sector cannot, will not, or is unable to provide these services, facilities, or equipment as bid or proposed in a reasonable or timely fashion consistent with policy set forth in this section. The commissioner shall not resell or sublease any services or facilities to nonpublic entities except to serve private schools and colleges. The commissioner has the responsibility for planning, development, and operations of the state information infrastructure in order to provide cost-effective telecommunications transmission services to state information infrastructure users consistent with the policy set forth in this section.~~

(b) The commissioner may purchase, own, or lease customer premises equipment. Customer premises equipment consists of terminal and associated equipment and inside wire located on agency's premises and connected with communication channels at the point established in a building or a complex to separate customer equipment from the enterprise network. Customer premise equipment also includes, but is not limited to, communications devices eligible for distribution to communications-impaired persons under section 237.51, subdivision 1.

(c) This section does not prohibit the commissioner or other governmental entity from owning, leasing, operating, and staffing a network operation center that allows the commissioner to test, troubleshoot, and maintain the enterprise network operations.

Subd. 3. [DUTIES FINISHED SERVICES.] (a) Subject to subdivision 4a, the commissioner shall:

(1) consult, design, plan, arrange for, provision, or manage the voice, data, video, and other telecommunications transmission and information services to of the state and to political subdivisions through an account in the intertechnologies revolving fund agencies;

(2) assist the entities defined in paragraph (b) to interconnect their respective networks with the core state enterprise network consistent with subdivision 1, paragraph (a);

(3) manage vendor relationships, enterprise network function, and capacity planning in order to be responsive to the needs of the state information infrastructure users, including political subdivisions; and

(3) set rates and fees for services;

(4) approve contracts for services, facilities, or equipment relating to the system;

(5) develop a system plan and the annual program and fiscal plans for the system; and

(6) in consultation with the commissioner of education in regard to schools, assist state agencies, political subdivisions of the state, and higher education institutions, including private colleges and public and private schools, to identify their telecommunication needs, and develop plans for interoperability of the network consistent with the policies in subdivision 1, paragraphs (a) and (b). When requested, the commissioner may also assist in identifying, purchasing, or leasing their customer premises equipment.

(4) establish fair and reasonable reimbursement rates in cooperation with the commissioner of finance to be billed to all enterprise network partners sufficient to cover the planning, operating, maintenance, and administrative costs associated with the state enterprise network and finished services provided.

(b) The commissioner may purchase, own, or lease any telecommunications network facilities or equipment after first seeking bids or proposals and having determined that the private sector cannot, will not, or is unable to provide these services, facilities, or equipment as bid or proposed in a reasonable and timely fashion consistent with the policy set forth in this section. The



commissioner may consult, design, plan, arrange for, provision, or manage the voice, data, video, and information services for educational institutions, including public higher education institutions; public schools as defined in section 120A.05, subdivisions 9, 11, 13, and 17; libraries; nonpublic, church, or religious organization schools that provide instruction in compliance with sections 120A.22, 120A.24, and 120A.41; private colleges; public corporations; Indian tribal governments; and public noncommercial educational television broadcast stations as defined in section 129D.12.

~~Subd. 4. [PROGRAM PARTICIPATION.] The commissioner may require the participation of state agencies and the commissioner of education, and may request the participation of the Board of Regents of the University of Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities, in the planning and implementation of the network to provide interconnective technologies. The Board of Trustees of the Minnesota State Colleges and Universities may opt out of participation as a subscriber on the network, in whole or in part, if the board is able to secure telecommunications services from another source that ensures it will achieve the policy objectives set forth in subdivision 1.~~

~~Subd. 4a. [ALTERNATIVE ECONOMIC DEVELOPMENT AGGREGATION.] The commissioner may, but is not required to, approve, in consultation with the Enterprise Network Council, may require state agencies to participate in community-based aggregation of demand for telecommunications and information services for state agencies, including Minnesota State Colleges and Universities together with those entities described in subdivision 3, paragraph (b), and the private sector whenever reasonable economic benefits are anticipated to result for all parties from such aggregation, the aggregation does not disadvantage enterprise operations or statewide operability for the participating agency, and the information services requirements of the aggregation can be met. To be considered a community-based aggregation project:~~

~~(1) the project must aggregate telecommunications demands of state agencies with that of the private sector in a community or a group of communities in a geographic region to the extent permitted by law; and~~

~~(2) The aggregation must result in the provision of telecommunications infrastructure improvements and information services that ensure the policy set forth in subdivision 1, paragraphs (a) and (b).~~

~~Subd. 4b. [RATES.] (a) The commissioner shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system.~~

~~(b) Except as otherwise provided in subdivision 4, a direct appropriation made to an educational institution for usage costs associated with the state information infrastructure must only be used by the educational institution for payment of usage costs of the network as billed by the commissioner of administration.~~

~~Subd. 6. [APPROPRIATION.] Money appropriated for the state information infrastructure enterprise network for enterprise network design and planning, and fees for telecommunications finished services must be deposited in an account in the intertechnologies fund. Money in the account is appropriated annually to the commissioner to carry out the purposes of this section.~~

~~Subd. 7. [EXEMPTION.] The system is exempt from the five-year limitation on contracts set by sections 16C.05, subdivision 2, paragraph (b), 16C.08, subdivision 3, clause (5), and 16C.09, clause (6)."~~

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Amendments adopted. Report adopted.

**Senator Lourey from the Committee on Health and Family Security, to which was referred**

**S.F. No. 1563:** A bill for an act relating to health; establishing the Sustainable Health Care Act;

providing for reform of health care coverage and public programs for low-income and working Minnesotans; requiring a report; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. [CITATION.]

This act shall be known as the "Sustainable Health Care Act."

Sec. 2. [PURPOSE.]

The legislature finds that the projected rate of growth in health care costs will lead to unsustainable increases in state spending for health care programs, unsustainable increases in health insurance premiums paid by employers and individuals, and unacceptable numbers of persons who are uninsured. The legislature further finds that growth in the number of uninsured and underinsured Minnesotans will have serious, detrimental consequences for the entire community, including declining health status of the population, excessive use of emergency rooms, lack of preventive care and early diagnosis and treatment, and cost shifting onto private insurers, local governments, and nonprofit safety net health care providers. The purpose of this act is to ensure that all Minnesota residents participate in a health care coverage program for themselves and their dependents and that all residents contribute to the cost of their health care according to their ability. The legislature finds that this purpose can best be achieved by increasing consumer engagement and responsibility, rewarding the use of effective and efficient methods of delivering health care, promoting better health, reducing waste and duplication, establishing common standards for measuring and reporting quality and cost, and leveraging contributions from both public-private partnerships.

Sec. 3. [A PURCHASING AND REGULATORY STRATEGY FOR THE STATE OF MINNESOTA.]

The commissioners of health, employee relations, human services, commerce, and labor and industry shall jointly develop a united state purchasing and regulatory strategy. The strategy shall be developed in close consultation with private employers, health plans, and other third-party purchasers. The purchasing and regulatory strategy must promote personal choice and responsibility; must be designed to encourage and promote better health of patients and state residents; and must seek to strengthen the privately based health care insurance and health care delivery system. All state activities relating to the purchase of health care and health coverage for public employees and for persons eligible for state health care programs shall be based on, and consistent with, the united purchasing strategy. All state regulatory activities relating to health care services and health care coverage shall also be based on, and consistent with, the united strategy.

Sec. 4. [STATE HEALTH CARE PROGRAMS.]

The commissioner of human services, in consultation with the commissioner of employee relations, shall prepare a plan, budget, timeline, and proposed legislation to consolidate and reform the medical assistance, MinnesotaCare, and general assistance medical care programs. Under the reformed system, low-income Minnesotans can receive public subsidy for health care coverage. A MinnesotaCare comprehensive health plan will be used to provide health coverage for the lowest income families, children, individuals, elderly, and disabled persons, including those eligible for medical assistance, through a state-administered program. For individuals and families whose incomes exceed the eligibility limits for the comprehensive plan, the MinnesotaCare basic health plan will provide a subsidy to defray the cost of individual or group coverage purchased through employers or in the private market.

The commissioner of human services shall seek federal waivers to allow a multiyear trial of the comprehensive and basic health plans to qualify federal reimbursement of health services covered under these plans. Further, in consultation with the commissioner of revenue, the commissioner of human services shall prepare recommendations on how advanceable and refundable tax credits could be used for health insurance premium subsidies for enrollees in the MinnesotaCare basic health plan.

Sec. 5. [PURCHASING POOLS.]

The commissioners of health and commerce shall prepare a plan for the creation of a public corporation to be established to offer pooled health coverage to individuals and families that do not have access to employer-subsidized health coverage or who wish to purchase an individual insurance product. The purchasing pool or pools must offer two or more types of plans, including at least one that is comparable to the typical small employer insurance plan issued in Minnesota. Consideration shall also be given to creating such a purchasing pool under the direction of the Minnesota Comprehensive Health Association. The commissioners shall assess the advantages and disadvantages of allowing small employers and public employers to participate in the purchasing pool or pools. A report on their findings and recommendations shall be made to the legislature by February 1, 2005.

Sec. 6. [UNIVERSAL PARTICIPATION IN THE HEALTH CARE SYSTEM.]

The commissioner of health shall prepare a report describing the feasibility of various options for assuring that all Minnesota residents have health coverage, pay for coverage according to their ability, and receive appropriate health care services, including preventive care. Among other options, the commissioner shall analyze the feasibility of a requirement that all residents must either maintain health coverage or else pay into a fund to be used to pay for health care services for uninsured persons.

Sec. 7. [PROMOTING BETTER HEALTH.]

The commissioner of health, in consultation with public health agencies, employers, health care organizations, and other interested persons and organizations, shall prepare a Minnesota health improvement plan for diabetes and coronary disease prevention that identifies priorities for improving the health of Minnesota residents and recommends strategies for statewide, regional, and local public-private partnerships.

Sec. 8. [HEALTH CARE QUALITY.]

Subdivision 1. [STANDARDS AND QUALITY MEASUREMENT AND REPORTING.] The commissioner of employee relations, in cooperation with other commissioners of state agencies with responsibilities relating to purchasing, regulating, and providing health care services, shall identify the quality measures and reporting requirements as developed by or are endorsed by a private, nonprofit quality improvement organization that must be included as the standards for quality-related requirements in state contracts, plans, and programs for the purchase of health care coverage and health care services. Contracts for such services must include payment withholds relating to quality of care, for contracts entered into on or after July 1, 2005. The commissioners of health, commerce, and labor and industry shall use these guidelines as the standards for quality-related regulations and requirements no later than July 1, 2005. The commissioner of employee relations shall submit to the legislature by December 1, 2004, recommendations for legislative changes to laws relating to state purchasing and regulation as needed to fully implement the requirements in this section.

Subd. 2. [MEASURING QUALITY.] To reduce administrative costs and promote the use of accepted quality standards, the commissioners of all state agencies engaged in the purchase of or regulation of health care services shall base their program, purchasing, and reporting requirements on quality measurements and performance reports being used by an alliance of private and public health service purchasers.

Subd. 3. [ANNUAL REPORTS.] The commissioners shall annually report to the legislature on their compliance with this section and provide an explanation for any quality or contract performance requirements or regulations imposed by a state agency that differ from or are imposed in addition to evidence-based, best practice guidelines identified by the commissioner of health under this section.

Sec. 9. [HEALTH CARE INFORMATION WEB SITE.]

The commissioner of health, in consultation with private employers, third-party payers,

providers, researchers, and quality improvement organizations, shall develop and maintain a health care information Web site that contains information on health care costs and quality indicators in Minnesota. Among other things, the Web site should provide information and links to enable consumers and policymakers to assess and compare the measurement of quality and efficiency of Minnesota health care providers and health plans.

Sec. 10. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, lines 5 and 6, delete "; appropriating money"

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

**Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 2631:** A bill for an act relating to labor relations; establishing certain rights for workers in the meatpacking industry; proposing coding for new law in Minnesota Statutes, chapter 179.

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

Delete everything after the enacting clause and insert:

"Section 1. [179.86] [PACKINGHOUSE WORKERS BILL OF RIGHTS.]

Subdivision 1. [DEFINITION.] For the purpose of this section, "employer" means an employer in the meatpacking industry.

Subd. 2. [RIGHT TO ADEQUATE FACILITIES.] An employer must provide its employees:

- (1) adequate and working restroom facilities;
- (2) adequate room for meal and rest breaks;
- (3) adequate locker facilities; and
- (4) adequate time for necessary restroom breaks.

Subd. 3. [RIGHT TO ADEQUATE EQUIPMENT.] An employer must furnish its employees with equipment that is adequate to perform the job task assigned.

Subd. 4. [INFORMATION PROVIDED TO EMPLOYEE BY EMPLOYER.] (a) An employer must provide an explanation in an employee's native language of the employee's rights and duties as an employee either person to person or through written materials that at a minimum include:

- (1) a complete description of the salary and benefits plans as they relate to the employee;
- (2) a job description for the employee's position;
- (3) a description of leave policies;
- (4) a description of the work hours and work hours policy; and
- (5) a description of the occupational hazards known to exist for the position.

(b) The explanation must also include information on the following employee rights as protected by state or federal law and a description of where additional information about those rights may be obtained:

- (1) the right to organize and bargain collectively;
- (2) the right to a safe workplace; and
- (3) the right to be free from discrimination."

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 1798:** A bill for an act relating to highways; modifying provisions relating to local government road construction and improvement contracts; amending Minnesota Statutes 2002, section 160.17, subdivision 3; repealing Minnesota Statutes 2002, section 160.17, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations. Report adopted.

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 1639:** A bill for an act relating to motor vehicles; providing for removal and disposal of unauthorized vehicles on private, nonresidential property used for servicing vehicles; amending Minnesota Statutes 2002, section 168B.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 168B.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2263:** A bill for an act relating to transportation; providing for cost-sharing agreements with tribal authorities; authorizing commissioner of transportation to require electronic bids for highway contracts valued at \$5,000,000 or more; providing for or changing expiration of certain transportation-related committees; authorizing local governments to designate roads for transporting permitted weights; providing for seasonal load restrictions on gravel roads; making technical changes; amending Minnesota Statutes 2002, sections 161.32, subdivision 1b; 162.021, subdivision 5; 162.07, subdivision 5; 162.09, subdivision 2; 162.13, subdivision 3; 169.832, by adding a subdivision; 169.87, subdivision 2; 174.52, subdivision 3; Minnesota Statutes 2003 Supplement, sections 161.368; 162.02, subdivision 2; repealing Minnesota Statutes 2002, section 174.55, as amended.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations. Report adopted.

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2178:** A bill for an act relating to municipal airports; prohibiting closure without approval of the legislature; proposing coding for new law in Minnesota Statutes, chapter 360.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations. Report adopted.

**Senator Marty from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 2583:** A bill for an act relating to natural resources; modifying the forest resources Interagency Information Cooperative; modifying the State Timber Act; amending Minnesota Statutes 2002, sections 89A.09, subdivision 1; 90.02; 90.181, subdivision 2; 90.191, subdivision 2, by adding a subdivision; 90.252; Minnesota Statutes 2003 Supplement, sections 90.101,

subdivision 1; 90.121; 90.14; 90.151, subdivision 1; repealing Minnesota Statutes 2003 Supplement, section 90.191, subdivisions 3, 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 89A.09, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] ~~The commissioner~~ dean of the University of Minnesota, College of Natural Resources, shall be encouraged to coordinate the establishment of an Interagency Information Cooperative. Members of the cooperative must include:

- (1) the University of Minnesota, College of Natural Resources;
- (2) the University of Minnesota, Natural Resources Research Institute;
- (3) the department;
- (2) (4) the Land Management Information Center;
- (3) (5) the Minnesota Association of County Land Commissioners;
- (4) (6) the United States Forest Service; and
- (5) (7) other organizations as deemed appropriate by the commissioner members.

Sec. 2. Minnesota Statutes 2002, section 90.02, is amended to read:

90.02 [CITATION, STATEMENT OF POLICY.]

This chapter may be cited as the State Timber Act.

It is the intent and desire of the Minnesota legislature to provide equal opportunity for all segments of our society to participate in the sale process; and attempt to prevent the purchase or acquisition of excessive volumes of the state's timber resources by any one individual or corporation.

~~The Department of Natural Resources is directed to enact rules~~ commissioner shall establish specific timber sale allocation standards to reach this objective; including provision for sale of all timber species by both the informal and the auction sale each method of sale specified in this chapter; and maintaining reasonable proportions of volume in each method of sale. The standards shall be included in each edition of the timber sales manual published by the commissioner. The standards are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

Sec. 3. Minnesota Statutes 2003 Supplement, section 90.101, subdivision 1, is amended to read:

Subdivision 1. [SALE REQUIREMENTS.] The commissioner may sell the timber on any tract of state land ~~in lots not exceeding 6,000 cords in volume~~ and may determine the number of sections or fractional sections of land to be included in the permit area covered by any one permit issued to the purchaser of timber on state lands, or in any one contract or other instrument relating thereto. No timber shall be sold, except (1) to the highest responsible bidder at public auction, or (2) if unsold at public auction the commissioner may offer the timber for private sale for a period of no more than six months after the public auction to any person who pays the appraised value for the timber. The minimum price shall be the appraised value as fixed by the report of the state appraiser. Sales may include tracts in more than one contiguous county or forestry administrative area and shall be held either in the county or forestry administrative area in which the tract is located or in an adjacent county or forestry administrative area that is nearest the tract offered for sale or that is most accessible to potential bidders. In adjoining counties or forestry administrative areas, sales may not be held less than two hours apart.

Sec. 4. Minnesota Statutes 2003 Supplement, section 90.14, is amended to read:

90.14 [AUCTION SALE PROCEDURE.]

(a) All state timber shall be offered and sold by the same unit of measurement as it was appraised. The sale shall be made to the person who (1) bids the highest price for all the several kinds of timber as advertised, or (2) if unsold at public auction, to the person who purchases at any subsequent sale authorized under section 90.101, subdivision 1. The commissioner may refuse to approve any and all bids received and cancel a sale of state timber for good and sufficient reasons.

(b) The purchaser at any sale of timber shall, immediately upon the approval of the bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the appraised value. In case any purchaser fails to make such payment, the purchaser shall be liable therefor to the state in a civil action, and the commissioner may reoffer the timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

(c) In lieu of the scaling of state timber required by this chapter, a purchaser of state timber may, at the time of payment by the purchaser to the commissioner of 15 percent of the appraised value, elect in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described in the permit, provided that the commissioner has expressly designated the availability of such option for that tract on the list of tracts available for sale as required under section 90.101. A purchaser who elects in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described on the permit does not have recourse to the provisions of section 90.281.

Sec. 5. Minnesota Statutes 2003 Supplement, section 90.151, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE; EXPIRATION.] (a) Following receipt of the down payment for state timber sold at public auction required under section 90.14 or 90.191, the commissioner shall issue a numbered permit to the purchaser, in a form approved by the attorney general, by the terms of which the purchaser shall be authorized to enter upon the land, and to cut and remove the timber therein described as designated for cutting in the report of the state appraiser, according to the provisions of this chapter. The permit shall be correctly dated and executed by the commissioner and signed by the purchaser. If a permit is not signed by the purchaser within 60 days from the date of purchase, the permit cancels and the down payment for timber required under section 90.14 forfeits to the state.

(b) The permit shall expire no later than five years after the date of sale as the commissioner shall specify or as specified under section 90.191, and the timber shall be cut within the time specified therein. All cut timber, equipment, and buildings not removed from the land within 90 days after expiration of the permit shall become the property of the state.

(c) The commissioner may grant an additional period of time not to exceed 120 days for the removal of cut timber, equipment, and buildings upon receipt of such request by the permit holder for good and sufficient reasons. The commissioner may grant a second period of time not to exceed 120 days for the removal of cut timber, equipment, and buildings upon receipt of a request by the permit holder for hardship reasons only.

(d) No permit shall be issued to any person other than the purchaser in whose name the bid was made.

Sec. 6. Minnesota Statutes 2002, section 90.181, subdivision 2, is amended to read:

Subd. 2. [DEFERRED PAYMENTS.] (a) If the amount of the statement is not paid within 30 days of the date thereof, it shall bear interest at the rate determined pursuant to section 16A.124, except that the purchaser shall not be required to pay interest that totals \$1 or less. If the amount is not paid within 60 days, the commissioner shall place the account in the hands of the ~~attorney general~~ commissioner of revenue according to chapter 16D, who shall proceed to collect the same. When deemed in the best interests of the state, the commissioner shall take possession of the

timber for which an amount is due wherever it may be found and sell the same informally or at public auction after giving reasonable notice.

(b) The proceeds of the sale shall be applied, first, to the payment of the expenses of seizure and sale; and, second, to the payment of the amount due for the timber, with interest; and the surplus, if any, shall belong to the state; and, in case a sufficient amount is not realized to pay these amounts in full, the balance shall be collected by the attorney general. Neither payment of the amount, nor the recovery of judgment therefor, nor satisfaction of the judgment, nor the seizure and sale of timber, shall release the sureties on any bond given pursuant to this chapter, or preclude the state from afterwards claiming that the timber was cut or removed contrary to law and recovering damages for the trespass thereby committed, or from prosecuting the offender criminally.

Sec. 7. Minnesota Statutes 2002, section 90.191, subdivision 2, is amended to read:

Subd. 2. [TIME FRAME FOR CUTTING AND REMOVAL.] Upon receipt of a down payment for the full appraised value, the commissioner may issue a permit according to section 90.151 to cut timber within the time period specified by the commissioner, which shall not exceed two years from the date of sale ~~under any supervision and provisions the commissioner deems advisable. All cut timber, equipment, and buildings not removed from the land within 90 days after expiration of the permit shall become the property of the state. The commissioner may grant an additional period of not to exceed 120 days for the removal of cut timber, equipment, and buildings upon receipt of a request by the permit holder for good and sufficient reasons. The commissioner may grant a second period of time not to exceed 120 days for the removal of cut timber, equipment, and buildings upon receipt of a request by the permit holder for hardship reasons only.~~

Sec. 8. Minnesota Statutes 2002, section 90.191, is amended by adding a subdivision to read:

Subd. 5. [ADDITIONAL PROCEDURE.] The sale procedure under this section is an additional alternative timber sale procedure available to the commissioner and is not intended to replace other authority of the commissioner to sell timber in lots of 500 cords or less.

Sec. 9. Minnesota Statutes 2002, section 90.252, is amended to read:

90.252 [CONSUMER SCALE OF STATE TIMBER; WEIGHT MEASUREMENT SERVICES; FEES.]

Subdivision 1. [CONSUMER SCALING.] The commissioner may enter into an agreement with either a timber sale permittee, or the purchaser of the cut products, or both, so that the scaling of the cut timber and the collection of the payment for the same can be consummated by the consumer. Such an agreement shall be approved as to form and content by the attorney general and shall provide for a bond or cash in lieu of a bond and such other safeguards as are necessary to protect the interests of the state. ~~Such a~~ The scaling and payment collection procedure may be used for any state timber sale, except that no permittee who is also the consumer shall both cut and scale the timber sold unless such scaling is supervised by a state scaler.

Subd. 2. [WEIGHT MEASUREMENT SERVICES; FEES.] The commissioner may enter into an agreement with the owner or operator of any weight scale inspected, tested, and approved under chapter 239 to provide weight measurements for the scaling of state timber according to section 90.251. The agreement shall be on a form prescribed by the attorney general, shall become a part of the official record of any state timber permit so scaled, and shall contain safeguards that are necessary to protect the interests of the state. Except as otherwise provided by the commissioner, the cost of any agreement to provide weight measurement of state timber shall be paid by the permit holder of any state timber permit so measured and the cost shall be included in the statement of the amount due for the permit under section 90.181, subdivision 1.

Sec. 10. Minnesota Statutes 2002, section 282.04, subdivision 1, is amended to read:

Subdivision 1. [TIMBER SALES; LAND LEASES AND USES.] (a) The county auditor may sell timber upon any tract that may be approved by the natural resources commissioner. ~~Such~~ The



sale of timber shall be made for cash at not less than the appraised value determined by the county board to the highest bidder after not less than one week's published notice in an official paper within the county. Any timber offered at such the public sale and not sold may thereafter be sold at private sale by the county auditor at not less than the appraised value thereof, until such the time as the county board may withdraw such the timber from sale. The appraised value of the timber and the forestry practices to be followed in the cutting of said timber shall be approved by the commissioner of natural resources.

(b) Payment of the full sale price of all timber sold on tax-forfeited lands shall be made in cash at the time of the timber sale, except in the case of oral or sealed bid auction sales, the down payment shall be no less than 15 percent of the appraised value, and the balance shall be paid prior to entry. In the case of auction sales that are partitioned and sold as a single sale with predetermined cutting blocks, the down payment shall be no less than 15 percent of the appraised price of the entire timber sale which may be held until the satisfactory completion of the sale or applied in whole or in part to the final cutting block. The value of each separate block must be paid in full before any cutting may begin in that block. With the permission of the county contract administrator the purchaser may enter unpaid blocks and cut necessary timber incidental to developing logging roads as may be needed to log other blocks provided that no timber may be removed from an unpaid block until separately scaled and paid for. If payment is provided as specified in this paragraph as security under paragraph (a) and no cutting has taken place on the contract, the county auditor may credit the security provided, less any down payment required for an auction sale under this paragraph, to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited, provided the request and transfer is made within the same calendar year as the security was received.

(c) The county board may require final settlement on the basis of a scale of cut products. Any parcels of land from which timber is to be sold by scale of cut products shall be so designated in the published notice of sale above mentioned under paragraph (a), in which case the notice shall contain a description of such the parcels, a statement of the estimated quantity of each species of timber thereon, and the appraised price of each specie species of timber for 1,000 feet, per cord or per piece, as the case may be. In such those cases any bids offered over and above the appraised prices shall be by percentage, the percent bid to be added to the appraised price of each of the different species of timber advertised on the land. The purchaser of timber from such the parcels shall pay in cash at the time of sale at the rate bid for all of the timber shown in the notice of sale as estimated to be standing on the land, and in addition shall pay at the same rate for any additional amounts which the final scale shows to have been cut or was available for cutting on the land at the time of sale under the terms of such the sale. Where the final scale of cut products shows that less timber was cut or was available for cutting under terms of such the sale than was originally paid for, the excess payment shall be refunded from the forfeited tax sale fund upon the claim of the purchaser, to be audited and allowed by the county board as in case of other claims against the county. No timber, except hardwood pulpwood, may be removed from such the parcels of land or other designated landings until scaled by a person or persons designated by the county board and approved by the commissioner of natural resources. Landings other than the parcel of land from which timber is cut may be designated for scaling by the county board by written agreement with the purchaser of the timber. The county board may, by written agreement with the purchaser and with a consumer designated by the purchaser when the timber is sold by the county auditor, and with the approval of the commissioner of natural resources, accept the consumer's scale of cut products delivered at the consumer's landing. No timber shall be removed until fully paid for in cash. Small amounts of timber not exceeding \$3,000 in appraised valuation may be sold for not less than the full appraised value at private sale to individual persons without first publishing notice of sale or calling for bids, provided that in case of such a sale involving a total appraised value of more than \$200 the sale shall be made subject to final settlement on the basis of a scale of cut products in the manner above provided and not more than two such of the sales, directly or indirectly to any individual shall be in effect at one time.

(d) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations or organized subdivisions of the state at public or private venue sale, and at such the prices and under such the terms as the county board may prescribe, for use as

cottage and camp sites and for agricultural purposes and for the purpose of taking and removing of hay, stumps, sand, gravel, clay, rock, marl, and black dirt ~~therefrom~~ from the land, and for garden sites and other temporary uses provided that no leases shall be for a period to exceed ten years; provided, further that any leases involving a consideration of more than \$12,000 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber. Upon the sale of any ~~such~~ leased land, it shall remain subject to the lease for not to exceed one year from the beginning of the term of the lease. Any rent paid by the lessee for the portion of the term cut off by ~~such~~ the cancellation shall be refunded from the forfeited tax sale fund upon the claim of the lessee, to be audited and allowed by the county board as in case of other claims against the county.

(e) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations, or organized subdivisions of the state at public or private ~~venue~~ sale, at ~~such~~ the prices and under ~~such~~ the terms as the county board may prescribe, for the purpose of taking and removing for use for road construction and other purposes tax-forfeited stockpiled iron-bearing material. The county auditor must determine that the material is needed and suitable for use in the construction or maintenance of a road, tailings basin, settling basin, dike, dam, bank fill, or other works on public or private property, and that the use would be in the best interests of the public. No lease shall exceed ten years. The use of a stockpile for these purposes must first be approved by the commissioner of natural resources. The request shall be deemed approved unless the requesting county is notified to the contrary by the commissioner of natural resources within six months after receipt of a request for approval for use of a stockpile. Once use of a stockpile has been approved, the county may continue to lease it for these purposes until approval is withdrawn by the commissioner of natural resources.

(f) The county auditor, with the approval of the county board is authorized to grant permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores, tailings, or waste products from mines or ore milling plants, upon ~~such~~ the conditions and for ~~such~~ the consideration and for ~~such~~ the period of time, not exceeding 15 years, as the county board may determine; ~~said~~. The permits, licenses, or leases ~~to be~~ are subject to approval by the commissioner of natural resources.

(g) Any person who removes any timber from tax-forfeited land before said timber has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor.

(h) The county auditor may, with the approval of the county board, and without first offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of peat from tax-forfeited lands upon ~~such~~ the terms and conditions as the county board may prescribe. Any lease for the removal of peat from tax-forfeited lands must first be reviewed and approved by the commissioner of natural resources if the lease covers 320 or more acres. No lease for the removal of peat shall be made by the county auditor pursuant to this section without first holding a public hearing on the auditor's intention to lease. One printed notice in a legal newspaper in the county at least ten days before the hearing, and posted notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

(i) Notwithstanding any provision of paragraph (c) to the contrary, the St. Louis County auditor may, at the discretion of the county board, sell timber to the party who bids the highest price for all the several kinds of timber, as provided for sales by the commissioner of natural resources under section 90.14. Bids offered over and above the appraised price need not be applied proportionately to the appraised price of each of the different species of timber.

(j) In lieu of any payment or deposit required in paragraph (b), as directed by the county board and under terms set by the county board, the county auditor may accept an irrevocable bank letter of credit in the amount equal to the amount otherwise determined in paragraph (b), exclusive of the down payment required for an auction sale in paragraph (b). If an irrevocable bank letter of credit is provided under this paragraph, at the written request of the purchaser, the county may periodically allow the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the county has received payment. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than 20

percent of the value of the timber purchased. If no cutting of timber has taken place on the contract for which a letter of credit has been provided, the county may allow the transfer of the letter of credit to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited.

Sec. 11. [REPEALER.]

Minnesota Statutes 2003 Supplement, section 90.191, subdivisions 3 and 4, are repealed."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying the forest resources Interagency Information Cooperative; modifying the State Timber Act; modifying provisions for timber sales on tax-forfeited land; amending Minnesota Statutes 2002, sections 89A.09, subdivision 1; 90.02; 90.181, subdivision 2; 90.191, subdivision 2, by adding a subdivision; 90.252; 282.04, subdivision 1; Minnesota Statutes 2003 Supplement, sections 90.101, subdivision 1; 90.14; 90.151, subdivision 1; repealing Minnesota Statutes 2003 Supplement, section 90.191, subdivisions 3, 4."

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

### **Senator Scheid from the Committee on Commerce, to which was referred**

**S.F. No. 2607:** A bill for an act relating to insurance; creating a law enforcement agency to deal with insurance fraud; prescribing its powers and duties; establishing insurance assessments to fund the insurance fraud prevention account; amending Minnesota Statutes 2002, sections 45.0135, subdivision 6, by adding subdivisions; 626.84, subdivision 1; repealing Minnesota Statutes 2002, section 45.0135, subdivisions 1, 2.

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

Page 1, after line 10, insert:

#### "ARTICLE 1 INSURANCE FRAUD PREVENTION"

Page 3, delete section 7 and insert:

"Sec. 7. Minnesota Statutes 2002, section 45.0135, subdivision 6, is amended to read:

Subd. 6. [INSURANCE FRAUD PREVENTION ACCOUNT.] The insurance fraud prevention account is created in the state treasury. It consists of ~~any appropriations made by law money~~ deposited as described in subdivision 7. Money in this fund is appropriated to the commissioner of commerce for the purposes specified in this section and sections 60A.951 to 60A.956."

Page 6, after line 11, insert:

"Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective the day following final enactment.

#### ARTICLE 2 AUTO THEFT PREVENTION

Section 1. Minnesota Statutes 2002, section 299A.75, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM DESCRIBED; COMMISSIONER'S DUTIES.] (a) The commissioner of ~~public safety~~ commerce shall:

(1) develop and sponsor the implementation of statewide plans, programs, and strategies to combat automobile theft, improve the administration of the automobile theft laws, and provide a forum for identification of critical problems for those persons dealing with automobile theft;

(2) coordinate the development, adoption, and implementation of plans, programs, and strategies relating to interagency and intergovernmental cooperation with respect to automobile theft enforcement;

(3) annually audit the plans and programs that have been funded in whole or in part to evaluate the effectiveness of the plans and programs and withdraw funding should the commissioner determine that a plan or program is ineffective or is no longer in need of further financial support from the fund;

(4) develop a plan of operation including:

(i) an assessment of the scope of the problem of automobile theft, including areas of the state where the problem is greatest;

(ii) an analysis of various methods of combating the problem of automobile theft;

(iii) a plan for providing financial support to combat automobile theft;

(iv) a plan for eliminating car hijacking; and

(v) an estimate of the funds required to implement the plan; and

(5) distribute money pursuant to subdivision 3 from the automobile theft prevention special revenue account for automobile theft prevention activities, including:

(i) paying the administrative costs of the program;

(ii) providing financial support to the State Patrol and local law enforcement agencies for automobile theft enforcement teams;

(iii) providing financial support to state or local law enforcement agencies for programs designed to reduce the incidence of automobile theft and for improved equipment and techniques for responding to automobile thefts;

(iv) providing financial support to local prosecutors for programs designed to reduce the incidence of automobile theft;

(v) providing financial support to judicial agencies for programs designed to reduce the incidence of automobile theft;

(vi) providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft and to educate people about the common methods of automobile theft, the models of automobiles most likely to be stolen, and the times and places automobile theft is most likely to occur; and

(vii) providing financial support for automobile theft educational and training programs for state and local law enforcement officials, driver and vehicle services exam and inspections staff, and members of the judiciary.

(b) The commissioner may not spend in any fiscal year more than ten percent of the money in the fund for the program's administrative and operating costs. The commissioner is annually appropriated and must distribute the amount of the proceeds credited to the automobile theft prevention special revenue account each year, less the transfer of \$1,300,000 each year to the general fund described in section 168A.40, subdivision 4.

## Sec. 2. [TRANSFER OF POWERS.]

The powers and duties of the Department of Public Safety under Minnesota Statutes, section 299A.75, are transferred to the Department of Commerce. Minnesota Statutes, section 15.039, applies to this transfer of powers.

## Sec. 3. [REVISOR INSTRUCTION.]

The revisor of statutes shall recodify Minnesota Statutes, section 299A.75, into a chapter of Minnesota Statutes dealing with the Department of Commerce.

Sec. 4. [EFFECTIVE DATE.]

This article is effective July 1, 2004."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "transferring duties relating to auto theft prevention from the Department of Public Safety to the Department of Commerce;"

Page 1, line 7, after the semicolon, insert "299A.75, subdivision 1;"

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

**Senator Marty from the Committee on Environment and Natural Resources, to which was re-referred**

**S.F. No. 2145:** A bill for an act relating to natural resources; modifying the conditions for easement acquisition under the reinvest in Minnesota reserve program; appropriating money for conservation easements; authorizing the sale of state bonds; amending Minnesota Statutes 2002, sections 103F.505; 103F.515, subdivisions 1, 2, 4, 5.

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

Pages 3 and 4, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 2002, section 103F.515, subdivision 4, is amended to read:

Subd. 4. [NATURE OF PROPERTY RIGHTS ACQUIRED.] (a) A conservation easement must prohibit:

(1) alteration of wildlife habitat and other natural features, unless specifically approved by the board;

(2) agricultural crop production, unless specifically approved by the board for wildlife management purposes or as provided in clause (3);

(3) grazing of livestock or haying except, for agreements entered before the effective date of Laws 1990, chapter 391,

(i) the grazing of livestock or haying may be allowed only if approved by the board after consultation with the ~~commissioner~~ commissioners of natural resources, and agriculture; or

(ii) in the case of severe drought, or a local emergency declared under section 12.29; and

(4) spraying with chemicals or mowing, except as necessary to comply with noxious weed control laws or emergency control of pests necessary to protect public health.

(b) The easement must require that the landowner control noxious weeds in accordance with sections 18.77 to 18.88.

(c) A conservation easement is subject to the terms of the agreement provided in subdivision 5.

(e) (d) A conservation easement must allow repairs, improvements, and inspections necessary to maintain public drainage systems provided the easement area is restored to the condition required by the terms of the conservation easement."

And when so amended the bill do pass and be re-referred to the Committee on Finance.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Scheid from the Committee on Commerce, to which was referred**

**S.F. No. 2379:** A bill for an act relating to commerce; regulating real estate brokers and salespersons; making various changes in real property law; recodifying the laws and rules regulating these licensees; making technical and conforming changes; amending Minnesota Statutes 2002, sections 58.12, subdivision 1; 58.13, subdivision 1; 58.16, subdivisions 2, 4; 82.17, subdivision 4, by adding subdivisions; 82.19, subdivision 5, by adding subdivisions; 82.195; 82.196; 82.197; 82.20, subdivisions 3, 4, 8, 9, by adding subdivisions; 82.21, by adding subdivisions; 82.22, subdivisions 6, 8, 12, 13, by adding subdivisions; 82.24, subdivisions 3, 5, by adding subdivisions; 82.27, by adding a subdivision; 513.55, subdivision 1; 515B.4-101; 515B.4-102; 515B.4-106; 515B.4-107; 515B.4-108; 559.21, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 82; 559; repealing Minnesota Statutes 2002, sections 58.02, subdivision 24; 82.22, subdivision 9; Minnesota Rules, parts 2800.0100; 2800.0200; 2800.0300; 2800.1100; 2800.1200; 2800.1300; 2800.1400; 2800.1500; 2800.1600; 2800.1700; 2800.1750; 2800.1751; 2800.1800; 2800.1900; 2800.2000; 2800.2100; 2800.2150; 2805.0100; 2805.0200; 2805.0300; 2805.0400; 2805.0500; 2805.0600; 2805.0700; 2805.0800; 2805.0900; 2805.1000; 2805.1100; 2805.1300; 2805.1400; 2805.1500; 2805.1600; 2805.1700; 2805.1800; 2805.1900; 2805.2000.

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

Pages 1 to 3, delete section 1

Page 8, after line 3, insert:

"Sec. 4. [325F.691] [UNREASONABLE DELAY IN MORTGAGE LOAN CLOSING.]

Subdivision 1. [PROHIBITED CONDUCT.] (a) A lender, as defined in section 47.206, who causes unreasonable delay in processing a loan application beyond the expiration date of an interest rate or discount point agreement is liable to the borrower for a penalty in an amount not to exceed the borrower's actual out-of-pocket damages, including the present value of the increased interest costs over the normal life of the loan, or specific performance of the agreement. This paragraph applies to an agreement entered into after July 1, 2004.

(b) For purposes of this section, evidence of unreasonable delay includes, but is not limited to:

(1) failure of the lender to return telephone calls or otherwise respond to the borrower's inquiries concerning the status of the loan;

(2) the addition by the lender of new requirements for processing or approving the loan that were not disclosed to the borrower under section 47.206, subdivision 2, clause (3), unless the requirements result from governmental agency or secondary mortgage market changes, other than changes in interest rates, that occur after the date of the agreement; or

(3) failure by the lender to take actions necessary to process or approve the loan within a reasonable period of time, if the borrower provided information requested by the lender in a timely manner.

Subd. 2. [ADDITIONAL PENALTY.] In addition to the remedies in subdivision 1 of this section, a lender is liable to the borrower for \$500 for each unreasonable delay in processing a loan application which causes an interest rate or discount point agreement to expire before closing."

Page 8, line 14, delete the new language and reinstate the stricken language

Page 8, after line 18, insert:

"Sec. 6. Minnesota Statutes 2002, section 513.56, is amended by adding a subdivision to read:

Subd. 4. [EFFECT ON COMMON LAW.] The limitation on disclosure in subdivisions 1 and 2 modifies any common law duties with respect to disclosure of material facts."

Page 8, lines 25 and 26, delete the new language and reinstate the stricken language

Page 8, delete lines 27 to 29

Page 15, delete line 36 and insert "may be waived modified by agreement of the purchaser in writing to a rescission period of not less than three days."

Page 16, delete lines 1 to 4

Page 21, delete lines 35 and 36 and insert "period cannot may be waived modified by agreement of the purchaser in writing to a rescission period of not less than three days."

Page 22, delete lines 1 to 3

Page 24, line 28, after the period, insert "If both seller and purchaser initiate cancellation proceedings under this section, whether under subdivision 3 or 4, the purchase agreement shall be deemed canceled as of the date the second cancellation notice is served upon the other party under the provisions of this section. Either party can thereafter pursue their legal remedies at law to recover the earnest money."

Page 25, line 24, after "party" insert "and any third party that is holding earnest money under the purchase agreement"

Page 28, line 5, delete "and" and insert a comma

Page 28, line 8, before the period, insert ", and that the property is residential real property"

Page 28, line 15, after the period, insert "If both parties commence a cancellation proceeding under this section, either party or that party's attorney may execute an affidavit stating that both parties caused a notice of cancellation to be served upon the other party and further specifying the date the second notice of cancellation was served upon the other party. A copy of the affidavit of cancellation, when attached to copies of both notices of cancellation, will be prima facie evidence of the cancellation of the purchase agreement and the effective date of the cancellation of the purchase agreement."

Page 28, line 31, delete "13" and insert "14" and delete "12" and insert "13"

Page 33, after line 28, insert:

"Sec. 14. Minnesota Statutes 2002, section 82.19, subdivision 3, is amended to read:

Subd. 3. [COMMISSION-SPLITTING, REBATES, AND FEES.] No real estate broker, salesperson, or closing agents shall offer, pay, or give, and no person shall accept, any compensation or other thing of value from any real estate broker, salesperson, or closing agents by way of commission-splitting, rebate, finder's fees, or otherwise, in connection with any real estate or business opportunity transaction. This subdivision does not apply to transactions (1) between a licensed real estate broker or salesperson and the person by whom the broker or salesperson is engaged to purchase or sell real estate or business opportunity parties to the transaction, (2) among persons licensed as provided herein, (3) between a licensed real estate broker or salesperson and persons from other jurisdictions similarly licensed in that jurisdiction, (4) involving timeshare or other recreational lands where the amount offered or paid does not exceed \$150, and payment is not conditioned upon any sale but is made merely for providing the referral and the person paying the fee is bound by any representations the person receiving the fee makes, and (5) involving a person who receives a referral fee from a person or an agent of a person licensed under this section, provided that in any 12-month period, no recipient may earn more than the value of one month's rent, that the recipient is a resident of the property or has lived there within 60 days of the payment of the fee, and that the person paying the fee is bound by any representations made by the recipient of the fee. A licensed real estate broker or salesperson may assign or direct that

commissions or other compensation earned in connection with any real estate or business opportunity transaction be paid to a corporation, limited liability company, or sole proprietorship of which the licensed real estate broker or salesperson is the sole owner."

Page 51, line 34, reinstate the stricken language and delete "rights and"

Page 51, line 35, delete the new language

Page 52, line 1, strike everything after "sale"

Page 52, strike line 2

Page 52, line 3, strike "transaction"

Page 54, lines 18 and 19, delete the new language

Page 54, lines 26 and 27, delete the new language

Page 57, lines 16 to 18, delete the new language

Pages 58 and 59, delete section 29

Page 59, line 16, delete "electronic record,"

Page 59, line 17, after the period, insert "The commissioner may accept an application for license transfer made by an electronic agent or an electronic record with an electronic signature if the commissioner has the capability of accepting the application electronically."

Page 65, line 36, strike "CONTINUING"

Page 66, lines 5 to 7, reinstate the stricken language

Page 66, line 14, delete "this" and after "section" insert " 82.22, subdivision 6,"

Page 67, delete lines 10 to 18

Page 67, line 19, delete the new language

Page 67, line 24, delete the new language and reinstate the stricken language

Page 67, line 26, reinstate the stricken "(f)" and delete "(g)" and after "Approved" insert "continuing education"

Page 67, line 28, after "All" insert "continuing education"

Page 67, line 33, after the period, insert "The commissioner shall not approve any prelicense instruction courses offered by, sponsored by, or affiliated with any person or company licensed to engage in the real estate business."

Page 67, line 34, reinstate the stricken "(g)"

Page 68, line 1, delete "(h)"

Page 68, line 9, delete "(i)" and insert "(h)"

Page 74, delete lines 30 to 33

Page 74, line 34, delete "4" and insert "3"

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "58.12, subdivision 1;"



Page 1, line 9, delete "subdivision" and insert "subdivisions 3,"

Page 1, line 11, delete "9,"

Page 1, line 15, after "subdivision 1;" insert "513.56, by adding a subdivision;"

Page 1, line 18, after "82;" insert "325F;"

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

### **Senator Scheid from the Committee on Commerce, to which was referred**

**S.F. No. 2248:** A bill for an act relating to commerce; requiring more detail in reports from municipalities on building code enforcement; requiring preclicensing education of residential building contractors; making changes in continuing education; providing homebuyers with access to information about avoidance of moisture and other problems; permitting successful home warranty claimants to recover attorney fees and expenses; requiring building contractors to meet personally with claimants to discuss disputed home warranty claims; amending Minnesota Statutes 2002, sections 326.87, subdivision 1; 326.89, subdivision 2; 326.96; 327A.05; Minnesota Statutes 2003 Supplement, section 16B.685; proposing coding for new in Minnesota Statutes, chapter 326.

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

Delete everything after the enacting clause and insert:

"Section 1. [CITATION.]

This act may be cited as the Homeowners' Protection Act.

Sec. 2. Minnesota Statutes 2002, section 16B.65, subdivision 7, is amended to read:

Subd. 7. [CONTINUING EDUCATION.] (a) Subject to sections 16B.59 to 16B.75, the commissioner may by rule establish or approve continuing education programs for municipal building officials dealing with matters of building code administration, inspection, and enforcement.

Each person certified as a building official for the state must satisfactorily complete applicable educational programs established or approved by the commissioner every three calendar years to retain certification.

Each person certified as a building official must submit in writing to the commissioner an application for renewal of certification within 60 days of the last day of the third calendar year following the last certificate issued. Each application for renewal must be accompanied by proof of satisfactory completion of minimum continuing education requirements and the certification renewal fee established by the commissioner.

(b) The commissioner may by rule establish or approve continuing education programs for municipal building inspectors.

(c) A municipality must pay for municipal building inspector or building official attendance at required continuing education classes with fee revenue from permit and inspection fees paid to the municipality.

Sec. 3. Minnesota Statutes 2003 Supplement, section 16B.685, is amended to read:

16B.685 [ANNUAL REPORT.]

Beginning with the first report filed by June 30, 2003, each municipality shall annually report by June 30 to the department, in a format prescribed by the department, all construction and development-related fees collected by the municipality from developers, builders, and subcontractors if the cumulative fees collected exceeded \$5,000 in the reporting year. The report must include:

- (1) the number and valuation of units for which fees were paid;
- (2) the amount of building permit fees, plan review fees, administrative fees, engineering fees, infrastructure fees, and other construction and development-related fees; ~~and~~
- (3) the expenses associated with the municipal activities for which fees were collected; and
- (4) the total number of permits issued, total number of inspections performed, and the total number of hours of staff time and total expenditures associated with administration of permitting and inspection services.

Sec. 4. Minnesota Statutes 2002, section 273.123, is amended by adding a subdivision to read:

Subd. 8. [HOMESTEAD PROPERTY DAMAGED BY MOLD.] (a) The owner of homestead property not qualifying for an adjustment in valuation under subdivisions 1 to 5 must receive a reduction in the amount of taxes payable on the property if all of the following conditions are met:

- (1) the owner of the property makes written application to the county assessor for tax treatment under this subdivision;
- (2) the county assessor determines that the homestead dwelling is uninhabitable because all or part of it has been contaminated by mold; and
- (3) the owner of the property makes written application to the county board.

(b) If all of the conditions in paragraph (a) are met, the county board must grant a reduction in the amount of property tax payable on the homestead dwelling. The reduction must be made for taxes payable in the year that the assessor determines that the requirements in paragraph (a), clause (2), have been met and in the following year.

(c) The reduction in the amount of tax payable must be calculated based upon the number of months that the homestead is uninhabitable. The amount of net tax due from the taxpayer shall be multiplied by a fraction, the numerator of which is the number of months the dwelling was occupied by that taxpayer, and the denominator of which is 12. For purposes of this subdivision, if a homestead dwelling is occupied or used for a fraction of a month, it is considered a month. "Net tax" is defined as the amount of tax after the subtraction of all of the state paid property tax credits. If the reduction is granted after all property taxes due for the year have been paid, the amount of the reduction must be refunded to the taxpayer by the county treasurer as soon as practical.

(d) Any reductions or refunds under this section are not subject to approval by the commissioner of revenue.

(e) A denial of a reduction or refund under this section by the county board may be appealed to the tax court. If the county board takes no action on the application within 60 days after its receipt, it is considered a denial.

(f) The county board may levy in the following year the amount of tax dollars lost to the county government as a result of the reductions granted pursuant to this subdivision. A levy under this paragraph is a special levy for purposes of a state determined levy limit.

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

Sec. 5. [325E.60] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 325E.60 to 325E.64, the terms in subdivisions 2 to 6 have the meanings given them.

Subd. 2. [CONTRACTOR.] "Contractor" means a person in the business of building residential real estate or contracting or offering to contract with an owner to build residential real estate or contracting or offering to contract with an owner to improve or restore residential real estate.

Subd. 3. [OWNER.] "Owner" means a person who has any legal or equitable interest in residential real estate. Owner does not include a contractor who constructs or improves its own property for purposes of speculation. A contractor will be presumed to be building or improving for purposes of speculation if it constructs or improves more than one property within any 24-month period.

Subd. 4. [REPAIRS.] "Repairs" means work performed for a total price of more than \$1,000, including the price of parts and materials, to remodel, repair, or restore residential real estate. Repairs do not include service calls or estimates.

Subd. 5. [RESIDENTIAL REAL ESTATE.] "Residential real estate" has the meaning given the term in section 326.83, subdivision 17.

Subd. 6. [WRITTEN ESTIMATE.] "Written estimate" means a writing which includes:

- (1) the name and address of the person performing the remodeling, repair, or restoration;
- (2) a description of the work to be performed including, if applicable, a description of the work to be performed as described by the owner and any specific work requested by the owner;
- (3) the terms and duration of any warranties given by the contractor on the work to be performed;
- (4) the charges for parts or materials listed with reasonable particularity and indicating whether the parts are new or used, if this information is known;
- (5) labor charges;
- (6) tax;
- (7) any delivery charge;
- (8) any other charges; and
- (9) the total estimated price.

Sec. 6. [325E.605] [ESTIMATES.]

Subdivision 1. [REQUIRED.] Upon the request of an owner for a written estimate and before beginning the remodeling, repair, or restoration, a contractor shall provide the owner with a written estimate. The contractor shall include in the estimate all the parts and materials and labor which in the standard practice of the trade or industry would normally be included in the work for which the estimate was requested.

Subd. 2. [NOTICE.] At the time a contractor provides the owner with a written estimate, the contractor shall inform the owner that any charge for a service call or a charge for making an estimate is in addition to the estimated price for the remodeling, repair, or restoration.

Subd. 3. [CONTRACTOR DUTIES.] At the option of the owner and upon the owner's written authorization, a contractor which provides a written estimate shall:

- (1) if the owner elects and the contractor undertakes the remodeling, repair, or restoration, perform the remodeling, repair, or restoration described in the estimate; or
- (2) return the unremodeled, unrepaired, or unrestored residential real estate as close as possible to its former condition, including repairing all damage caused in inspecting the residential real estate and preparing the estimate, upon payment of any charges for making the estimate or a service call.

Subd. 4. [EXCEPTION.] A contractor is not required to provide a written estimate for remodeling, repair, restoration, or service calls it does not agree to perform.

Subd. 5. [CONTRACTOR BOUND BY ESTIMATE.] If a contractor provides a written estimate of the price of remodeling, repair, or restoration, it shall not charge more than 110 percent of the total price stated in its estimate for the remodeling, repair, or restoration; except if a contractor after beginning work determines that additional work is necessary to accomplish the remodeling, repair, or restoration that are the subject of a written estimate and if the contractor did not unreasonably fail to disclose the possible need for the additional work when the estimate was made, the contractor may charge more than 110 percent of the estimate for the remodeling, repair, or restoration if the contractor immediately provides the owner a revised written estimate pursuant to this section without charge and receives written authorization to continue with the remodeling, repair, or restoration. If continuation of the remodeling, repair, or restoration is not authorized, the contractor shall return the residential real estate as close as possible to its former condition or place it in a mutually agreed upon condition and shall release the owner from further liability upon payment of charges for remodeling, repair, or restoration actually performed and not in excess of 110 percent of the original estimate. Nothing in this subdivision authorizes remodeling, repair, or restoration charges in excess of reasonable charges for parts and materials and labor.

Subd. 6. [ALTERNATIVE COMPLIANCE.] The requirement of a written estimate in sections 325E.60 to 325E.64 is fulfilled if a contractor orally communicates the contents of a required writing to the owner before beginning remodeling, repair, or restoration and provides the writing to the owner upon completion of the remodeling, repair, or restoration. If the contents are orally communicated, the contractor shall make a notation on the writing of the date, time, and telephone number called, if any, and the name of the person who receives the information and orally authorizes the making of the estimated remodeling, repair, or restoration.

Subd. 7. [ADDITIONAL WORK.] If a contractor, after beginning remodeling, repair, or restoration, determines that additional remodeling, repair, or restoration not previously authorized is necessary, the contractor may perform the additional remodeling, repair, or restoration if it complies with this section. The contractor shall provide, without charge, a written estimate before any additional remodeling, repair, or restoration is begun on the residential real estate regardless of whether the owner requested a written estimate of the price of the original remodeling, repair, or restoration.

Sec. 7. [325E.61] [UNAUTHORIZED WORK.]

No contractor shall charge for unauthorized remodeling, repair, or restoration. No contractor shall perform remodeling, repair, or restoration it knows or has reason to know are unnecessary unless the owner authorizes the remodeling, repair, or restoration after the contractor informs the owner that they are unnecessary.

Sec. 8. [325E.615] [INVOICE.]

Subdivision 1. [DEFINITION; REQUIREMENTS.] For the purpose of this section, "remodeling," "repair," or "restoration" does not include service calls or estimates. Upon completion of the remodeling, repair, or restoration, a contractor shall provide the owner with a copy of a dated invoice for the remodeling, repair, or restoration performed. The invoice must contain the following information:

- (1) the date of the remodeling, repair, or restoration;
- (2) the name and address of the contractor;
- (3) a description of all remodeling, repair, or restoration performed;
- (4) the terms and duration of any warranties given by the contractor on the work performed;
- (5) an itemization of the charges for parts, materials, labor, tax, delivery, and any other charges assessed against the owner;
- (6) a notation specifying which parts, if any, are new or used if that information is known by the contractor;

(7) a statement of any charge for a service call or for making an estimate; and

(8) a statement of the problems or damage, if any, as described by the owner, for which the remodeling, repair, or restoration was sought.

Subd. 2. [ESTIMATE AS INVOICE.] A written estimate may be used as an invoice if the required invoice information is written on the face of the estimate.

Sec. 9. [325E.62] [REQUIRED CONTRACTOR PRACTICES.]

Subdivision 1. [RECORDS RETENTION.] When any remodeling, repairs, or restorations are performed, a contractor shall retain for at least three years the name and address of the owner, any written estimates, and the corresponding invoice. The records must be available for reasonable inspection and copying by law enforcement officials upon reasonable prior notice and during regular business hours. Upon payment to a contractor of any reasonable costs of reproduction, the owner shall have the right to a copy of documents retained by the contractor reflecting any transaction to which the owner was a party.

Subd. 2. [ESTIMATE NOTICE.] Each contractor shall provide the following written notice to the owner before any remodeling, repair, or restoration work is started: "Upon your request, I am/we are required to provide a written estimate for remodeling, repair, or restoration costing more than \$1,000 if I/we agree to perform the remodeling, repair, or restoration. My/our final price cannot exceed the written estimate by more than ten percent without your prior written authorization."

Sec. 10. [325E.625] [REMEDIES; PENALTIES.]

Subdivision 1. [CONSUMER FRAUD.] Any violation of sections 325E.60 to 325E.64 shall be deemed a violation of section 325F.69, subdivision 1, and the provisions of section 8.31 apply.

Subd. 2. [ADDITIONAL REMEDIES.] The remedies of this section are to be construed as cumulative in addition to those provided by the common law and other statutes of this state.

Sec. 11. [325E.63] [EXEMPTION FOR WARRANTY WORK.]

Sections 325E.60 and 325E.61 and sections 325E.62 to 325E.64 do not apply when the remodeling, repair, or restoration is performed free of charge to the owner under warranty.

Sec. 12. [325E.635] [PREEMPTION BY STATE.]

The provisions of sections 325E.60 to 325E.64 supersede local ordinances regulating remodeling, repair, restoration, service calls, and estimates except for more restrictive regulation.

Sec. 13. [325E.64] [TITLE.]

Sections 325E.60 to 325E.64 may be cited as the Homeowners Protection Act of 2004.

Sec. 14. Minnesota Statutes 2002, section 326.87, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] ~~The commissioner, in consultation with the council, may adopt standards for continuing education requirements and course approval. The standards must include requirements for continuing education in the implementation of energy codes applicable to buildings and other building codes designed to conserve energy. Except for the course content, the standards must be consistent with the standards established for real estate agents and other professions licensed by the Department of Commerce. At a minimum, the content of one hour of any required continuing education must contain information on lead abatement rules and safe lead abatement procedures.~~ (a) The commissioner must adopt standards for continuing education requirements and approval. The standards must include instruction in the following subject areas:

(1) safety and security, including but not limited to lead abatement and lead-safe cleanup rules and procedures;

- (2) liability and contracts;
- (3) building code;
- (4) customer service; and
- (5) general project management.

(b) The commissioner must develop additional standards to address changes in building codes and in laws relating to residential construction and remodeling. The commissioner must consult with a private organization to assess the need for additional course requirements. The commissioner shall publicize any additional standards not later than August 1 of each calendar year.

Sec. 15. [326.871] [PRELICENSURE EDUCATION.]

Subdivision 1. [REQUIREMENT.] A qualifying person must complete 30 hours of prelicensure education under this section prior to applying to take the written examination under section 326.89.

Subd. 2. [CURRICULUM.] (a) The commissioner must contract with a private organization to develop the residential building contractor and remodeler prelicensure curriculum.

(b) The curriculum must include the following subject areas:

- (1) building codes;
- (2) fundamental construction techniques;
- (3) state and federal statutes;
- (4) state rules and federal regulations; and
- (5) business practices.

(c) The curriculum is subject to the approval of the commissioner.

(d) Entities that offer this curriculum must provide a certificate of completion to enrollees who successfully complete this curriculum.

Sec. 16. Minnesota Statutes 2002, section 326.89, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The application must include the following information regarding the applicant:

- (1) Minnesota workers' compensation insurance certificate;
- (2) employment insurance account number;
- (3) certificate of liability insurance;
- (4) type of license requested;
- (5) name and address of the applicant:
  - (i) name and address of the applicant's qualifying person, if other than applicant; and
  - (ii) if the applicant is a sole proprietorship, the name and address of the sole proprietor; if the applicant is a partnership, the name and address of each partner; if the applicant is a limited liability company, the name and address of each governor and manager; if the applicant is a corporation, the name and address of each of the corporate officers, directors, and all shareholders holding more than ten percent of the outstanding stock in the corporation;
- (6) whether the applicant, any employee, or qualifying person has ever been licensed in this or

any other state and has had a professional or vocational license refused, suspended, or revoked, or has been the subject of any administrative action;

(7) whether the applicant, qualifying person, or any of the applicant's corporate or partnership directors, limited liability company governors, officers, limited or general partners, managers, all shareholders holding more than ten percent of the share of the corporation that have been issued, or all members holding more than ten percent of the voting power of the membership interests that have been issued, has been convicted of a crime that either related directly to the business for which the license is sought or involved fraud, misrepresentation, or misuse of funds; has suffered a judgment in a civil action involving fraud, misrepresentation, negligence, or breach of contract, or conversion within the ten years prior to the submission of the application; or has had any government license or permit suspended or revoked as a result of an action brought by a federal, state, or local governmental unit or agency in this or any other state;

(8) the applicant's and qualifying person's business history for the past five years and whether the applicant, any employee, or qualifying person has ever filed for bankruptcy or protection from creditors or has any unsatisfied judgments against the applicant, employee, or qualifying person;

(9) where the applicant is a firm, partnership, sole proprietorship, limited liability company, corporation, or association, whether there has been a sale or transfer of the business or other change in ownership, control, or name in the last five years and the details thereof, and the names and addresses of all prior, predecessor, subsidiary, affiliated, parent, or related entities, and whether each such entity, or its owners, officers, directors, members or shareholders holding more than ten percent of the stock, or an employee has ever taken or been subject to an action that is subject to clause (6), (7), or (8) in the last ten years; and

(10) whether the qualifying person is the qualifying person for more than one licensee; and

(11) whether the qualifying person has completed the prelicensure curriculum required under section 326.871, and, if so, a copy of the certificate of completion of that curriculum.

For purposes of this subdivision, "applicant" includes employees who exercise management or policy control over the residential contracting and remodeling activities in the state of Minnesota, including affiliates, partners, directors, governors, officers, limited or general partners, managers, all shareholders holding more than ten percent of the shares that have been issued, a shareholder holding more than ten percent of the voting power of the shares that have been issued, or all members holding more than ten percent of the membership interests that have been issued or more than ten percent of the voting power of the membership interests that have been issued.

The commissioner may require further information as the commissioner deems appropriate to administer the provisions and further the purposes of this chapter.

Sec. 17. Minnesota Statutes 2002, section 326.96, is amended to read:

326.96 [PUBLIC EDUCATION.]

Subdivision 1. [LICENSING.] The commissioner may develop materials and programs to educate the public concerning licensing requirements and methods for reporting unlicensed contracting activity.

Subd. 2. [HOMEOWNER'S GUIDE.] (a) The commissioner must develop a guide for homeowners and make it available in electronic form to real estate brokers and salespersons, residential building contractors and remodelers, and the general public. The guide must include information on:

(1) moisture problems in residential buildings;

(2) the homeowner's warranty required under chapter 327A;

(3) disclosures regarding the history and condition of property that are required to be made to prospective purchasers by sellers and real estate brokers and salespersons;

(4) prepurchase inspection of residential property by home inspectors, local government employees, and other persons or entities; and

(5) other sources of information for homeowners and prospective homeowners, including the commissioner's Web site.

(b) The guide must include pages at the front for homeowners to record information about their home and its maintenance history, maintenance instructions received from the builder or relating to appliances and ventilation equipment, and homeowners and appliance warranties and owners guides.

(c) The commissioner must, in the homeowner's guide and other reasonably appropriate ways, encourage homeowners and prospective homeowners to transfer possession of the homeowner's guide, including information added to it by previous homeowners, at the time of transfer of ownership. The commissioner must encourage real estate brokers and salespersons to facilitate those transfers.

Subd. 3. [DATABASE OF HOME INSPECTORS.] (a) The commissioner must create a Web page providing a list of persons who inspect residential properties for prospective purchasers and information on how to contact the persons listed. The list must consist of persons who request to be placed on the list. The Web page must state that the list consists of persons who have asked to be listed, that there is no state certification or licensing programs for home inspectors, and that the commissioner has not investigated the qualifications of the persons listed.

(b) The Web page must include advice on how to select and make best use of a home inspector.

Sec. 18. Minnesota Statutes 2002, section 327A.05, is amended to read:

327A.05 [REMEDIES.]

Subdivision 1. [NEW HOME WARRANTIES.] Upon breach of any warranty imposed by section 327A.02, subdivision 1, the vendee shall have a cause of action against the vendor for damages arising out of the breach, or for specific performance. The vendee must also be awarded the vendee's costs, disbursements, and reasonable attorney fees, if the vendee is the prevailing party and the vendor refused to perform the vendor's obligations under the warranty without a good faith basis for the refusal. Damages shall be limited to:

(a) the amount necessary to remedy the defect or breach; or

(b) the difference between the value of the dwelling without the defect and the value of the dwelling with the defect.

Subd. 2. [HOME IMPROVEMENT WARRANTY.] Upon breach of any warranty imposed by section 327A.02, subdivision 3, the owner shall have a cause of action against the home improvement contractor for damages arising out of the breach, or for specific performance. Damages shall be limited to the amount necessary to remedy the defect or breach. The owner must also be awarded the owner's costs, disbursements, and reasonable attorney fees, if the owner is the prevailing party and the vendor refused to perform the vendor's obligations under the warranty without a good faith basis for the refusal.

Subd. 3. [STATUTORY CURE.] (a) At least 90 days before filing a cause of action, the vendee or owner shall give written notice by certified mail, return receipt requested, to the vendor or home improvement contractor specifying in reasonable detail the basis of the cause of action.

(b) In a multiunit cause of action, at least 90 days before filing a cause of action, the vendee or owner shall serve the vendor or home improvement contractor, together with the complaint, a written notice by certified mail, return receipt requested, to the vendor or home improvement contractor specifying in reasonable detail the basis of the dwelling action. The notice in a multiunit dwelling action involving alleged defects that are substantially similar in multiple residential units may comply with this section by providing a reasonably detailed description of the alleged defects in a fair and representative sample of the affected residential units.



(c) After receipt of a notice described in paragraph (a) or (b), the vendor or home improvement contractor may inspect the dwelling to determine the nature and cause of the alleged defects and the nature and extent of any repairs and replacements necessary to remedy the alleged defects. The vendee or owner shall ensure that the dwelling is made available for inspection no later than ten days after the purchaser receives the request of the vendor or home improvement contractor for an inspection. The vendor or home improvement contractor shall provide reasonable notice to the vendee or owner before conducting the inspection. The inspection shall be conducted at a reasonable time. The vendor or home improvement contractor may use reasonable measures, including testing, to determine the nature and cause of the alleged defects and the nature and extent of any repairs or replacements necessary to remedy the alleged defects. If the vendor or home improvement contractor conducts testing pursuant to this paragraph, the vendor or home improvement contractor shall restore the unit to its condition before the testing.

(d) Within 60 days after receipt of the notice described in paragraph (a) or (b), the vendor or home improvement contractor shall send to the vendee or owner by certified mail, return receipt requested, a good faith, written response to the vendee or owner's notice. The response may include an offer to repair or replace any alleged defects, to have the alleged defects repaired or replaced at the expense of the vendor or home improvement contractor, or to provide monetary compensation to the vendee or owner. The offer shall describe in reasonable detail all repairs or replacements that the vendor or home improvement contractor is offering to make or provide to the dwelling and a reasonable estimate of the date by which the repairs or replacements will be made or monetary compensation will be provided.

(e) If the vendor or home improvement contractor does not provide a written response to the vendee or owner's notice within 60 days, the vendee or owner may file a cause of action without waiting for the expiration of 90 days as required by paragraph (a) or (b), or a stay, if entered, shall be lifted to allow the action to proceed.

(f) Within 20 days after receipt of the offer made pursuant to paragraph (d), the vendee or owner shall give a good faith, written response to the offer. A vendee or owner who accepts the offer made pursuant to paragraph (d), shall do so in writing by certified mail, return receipt requested. A vendee or owner who rejects the offer made pursuant to paragraph (d), shall respond in writing by certified mail, return receipt requested. The response shall include the basis for the vendee or owner's rejection of the offer and may include a counteroffer. Within ten days after receipt of the response of the vendee or owner, the vendor or home improvement contractor may make a best and final offer to the vendee in writing by certified mail, return receipt requested.

(g) The applicable statute of limitations, within which a vendee or owner must bring a claim or action under this chapter, shall be suspended from the time of commencement of procedures under this subdivision until the offer made pursuant to paragraph (d) has been rejected."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing a property tax deduction for structures contaminated by mold; regulating contractor estimates; establishing a statutory cure process for home warranty claims;"

Page 1, delete lines 10 and 11

Page 1, line 12, after "sections" insert "16B.65, subdivision 7; 273.123, by adding a subdivision;"

Page 1, line 16, delete "chapter" and insert "chapters 325E;"

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

**Senator Betzold from the Committee on Judiciary, to which was referred**

**H.F. No. 2288:** A bill for an act relating to courts; modifying conciliation court debtor disclosures; amending Minnesota Statutes 2002, section 491A.02, subdivision 9.

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

**Senator Betzold from the Committee on Judiciary, to which was referred**

**S.F. No. 2819:** A bill for an act relating to human rights; making technical changes to the Human Rights Act; amending Minnesota Statutes 2003 Supplement, sections 363A.02, subdivision 2; 363A.03, subdivisions 1, 2, 5, 8, 14, 21, 31, 35, 42, by adding subdivisions; 363A.04; 363A.06; 363A.08, subdivisions 1, 2, 3, 4, 6; 363A.09, subdivision 4; 363A.11, subdivision 4; 363A.12, subdivision 1; 363A.13, subdivision 4; 363A.15; 363A.17; 363A.19; 363A.21, subdivisions 1, 2; 363A.28, subdivisions 1, 6, 7; 363A.29, subdivision 2; 363A.40, subdivision 1; repealing Minnesota Statutes 2003 Supplement, section 363A.03, subdivisions 3, 29.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Betzold from the Committee on Judiciary, to which was re-referred**

**S.F. No. 2756:** A bill for an act relating to food law; clarifying the basis on which food can be labeled as kosher; amending Minnesota Statutes 2002, sections 31.651, subdivision 1; 31.661.

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

**Senator Betzold from the Committee on Judiciary, to which was re-referred**

**S.F. No. 2894:** A bill for an act relating to the State Board of Investment; authorizing increased State Board of Investment participation in venture capital investments; classifying data related to certain venture capital investments; appropriating money in the event of certain venture capital investment shortfalls; amending Minnesota Statutes 2002, sections 11A.24, subdivision 6, by adding a subdivision; 13.635, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Betzold from the Committee on Judiciary, to which was re-referred**

**S.F. No. 1398:** A bill for an act relating to the judiciary; imposing a temporary reduction in judge positions.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Finance without recommendation.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Betzold from the Committee on Judiciary, to which was referred**

**S.F. No. 2593:** A bill for an act relating to real estate; prohibiting restrictions on real estate use that restrict display of flags; making attorney fees for foreclosure of association assessment liens consistent with those permitted for mortgage foreclosures; amending Minnesota Statutes 2002, sections 515.07; 515A.2-103; 515A.3-102; 515A.3-115; 515B.2-103; 515B.3-102; Minnesota Statutes 2003 Supplement, section 515B.3-116; proposing coding for new law in Minnesota Statutes, chapter 500.

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

Delete everything after the enacting clause and insert:

"Section 1. [500.215] [LIMITS ON CERTAIN RESIDENTIAL PROPERTY RIGHTS PROHIBITED.]

Subdivision 1. [GENERAL RULE.] (a) The right of an owner or tenant of residential property to display a United States flag must not be limited by any deed restriction, subdivision regulation, restrictive covenant, local ordinance, contract, rental agreement or regulation, or homeowners association document.

(b) "Homeowners association document" includes the declaration, articles of incorporation, bylaws, and rules and regulations of:

(1) a common interest community, as defined in section 515B.1-103(10), regardless of whether the common interest community is subject to chapter 515B; and

(2) a residential community that is not a common interest community, as defined in section 515B.1-103(10).

Subd. 2. [EXCEPTIONS.] (a) This section does not prohibit limitations narrowly tailored to protect health or safety.

(b) This section does not prohibit reasonable limitations that restrict:

(1) the size of a United States flag to be displayed to a size customarily used on residential property; or

(2) the installation of a United States flag to a portion of the residential property to which the person who displays the United States flag has exclusive use.

(c) This section does not prohibit a requirement that a United States flag be displayed in a legal manner, that the flag be in good condition and not altered or defaced, or that the flag not be affixed in a permanent manner or in a way that causes damage to the property.

Subd. 3. [APPLICABILITY.] (a) This section applies to:

(1) all limitations described in subdivision 1 and not excepted in subdivision 2, regardless of whether adopted before, on, or after the effective date of this section;

(2) all common interest communities, as defined in section 515B.1-103(10), regardless of when created; and

(3) all other residential communities, regardless of when created.

(b) Provisions that violate this section are void and unenforceable to the extent of the violation.

Subd. 4. [RECOVERY OF ATTORNEY FEES.] If an owner or tenant of residential property is denied the right provided by this section, the owner or tenant is entitled to recover, from the party who denied the right, reasonable attorney fees and expenses incurred in connection with enforcing the right."

Amend the title as follows:

Page 1, line 3, delete "making"

Page 1, delete lines 4 to 8

Page 1, line 9, delete everything before "proposing"

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

**Senator Betzold from the Committee on Judiciary, to which was re-referred**

**S.F. No. 1822:** A bill for an act relating to debtor exemptions; modifying provisions relating to exemptions for workers' compensation claims, personal injury claims, and certain employee benefits; amending Minnesota Statutes 2002, sections 176.175, subdivision 2; 550.37, subdivisions 20, 22, 24.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 176.175, subdivision 2, is amended to read:

Subd. 2. [NONASSIGNABILITY; EXEMPTION.] (a) No claim for compensation or settlement of a claim for compensation owned by an injured employee or dependents is assignable.

(b) Except as otherwise provided in this chapter, any claim for compensation owned by an injured employee or dependents is and the proceeds of a judgment or settlement resulting from a compensation claim are exempt from seizure or sale for the payment of any debt or liability.

Sec. 2. Minnesota Statutes 2002, section 550.37, subdivision 20, is amended to read:

Subd. 20. [TRACEABLE FUNDS.] The exemption of funds from creditors' claims, provided by subdivisions 9, 10, 11, 15, 22, and 24, and section 176.175, shall not be affected by the subsequent deposit of the funds in a bank or any other financial institution, whether in a single or joint account, if the funds are traceable to their exempt source. In tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. No bank or other financial institution shall be liable for damages for complying with process duly issued out of any court for the collection of a debt even if the funds affected by the process are subsequently determined to have been exempt.

Sec. 3. Minnesota Statutes 2002, section 550.37, subdivision 22, is amended to read:

Subd. 22. [RIGHTS OF ACTION; PROCEEDS.] Rights of action for injuries to the person of the debtor or of a relative whether or not resulting in death and the proceeds of a judgment or settlement resulting from an action for these injuries.

Sec. 4. Minnesota Statutes 2002, section 550.37, subdivision 24, is amended to read:

Subd. 24. [EMPLOYEE BENEFITS.] (a) The debtor's right to receive present or future payments, or payments received by the debtor, under:

(1) a stock bonus, pension, profit sharing, annuity, individual retirement account, Roth IRA, individual retirement annuity, or simplified employee pension; or

(2) a stock bonus, profit sharing, annuity, or similar plan or contract payable on account of illness, disability, death, age, or length of service;

This exemption is applicable to the extent of the debtor's aggregate interest under all plans and contracts up to a present value of \$30,000 and additional amounts under all the plans and contracts to the extent reasonably necessary for the support of the debtor and any spouse or dependent of the debtor.

(b) The exemptions in paragraph (a) do not apply when the debt is owed under a support order as defined in section 518.54, subdivision 4a."

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

**Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred**

**S.F. No. 2210:** A bill for an act relating to natural resources; modifying requirements for

certain equipment used by the department; exempting certain patrol vehicles from the security barrier requirement; providing for designation of certain enforcement personnel by commissioner's order; amending Minnesota Statutes 2002, section 84.025, subdivision 10; Minnesota Statutes 2003 Supplement, sections 84.029, subdivision 1; 84A.02; 84A.21; 84A.32, subdivision 1; 84A.55, subdivision 8; 85.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 84.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Crime Prevention and Public Safety. Report adopted.

**Senator Vickerman from the Committee on Agriculture, Veterans and Gaming, to which was re-referred**

**S.F. No. 2428:** A bill for an act relating to agriculture; defining certain terms; providing for the validity of certain electronic documents and signatures; amending Minnesota Statutes 2002, sections 223.16, by adding subdivisions; 223.177, subdivision 3; 232.21, by adding subdivisions; 232.23, subdivision 4.

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

Page 1, after line 8, insert:

"Section 1. [17.844] [LIVESTOCK PRODUCTION POLICY.]

(a) The policy of the state and its political subdivisions is to promote livestock production under a broad range of management systems and sizes of operation, provided that operations are environmentally sound and meet all legal requirements of all jurisdictions, including federal, state, county, town, city, and watershed district requirements.

(b) In order to promote livestock production, state agencies and local governments shall, to the extent allowed by law:

(1) allow farms to be competitive and have the potential to generate a net profit through adoption of new technology, growth in their farm business, and reinvestment in buildings, equipment, and other infrastructure;

(2) provide encouragement for establishment of livestock enterprises on farms;

(3) promote environmental protection and water quality improvement through increased livestock production that results in controlling runoff through increased acreage of hay, pasture, and small grains; and

(4) promote more farms to use agronomically applied manure to increase the water holding capacity of the soil, control erosion, and decrease phosphorus runoff.

Sec. 2. Minnesota Statutes 2003 Supplement, section 18B.07, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED PESTICIDE USE.] (a) A person may not use, store, handle, distribute, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

(1) that is inconsistent with a label or labeling as defined by FIFRA;

(2) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife; or

(3) that will cause unreasonable adverse effects on the environment.

(b) A person may not direct a pesticide onto property beyond the boundaries of the target site. A person may not apply a pesticide resulting in damage to adjacent property.

(c) A person may not directly apply a pesticide on a human by overspray or target site spray, except when:

- (1) the pesticide is intended for use on a human;
- (2) the pesticide application is for mosquito control operations;
- (3) the pesticide application is for control of gypsy moth, forest tent caterpillar, or other pest species, as determined by the commissioner, and the pesticide used is a biological agent; or
- (4) the pesticide application is for a public health risk, as determined by the commissioner of health, and the commissioner of health, in consultation with the commissioner of agriculture, determines that the application is warranted based on the commissioner's balancing of the public health risk with the risk that the pesticide application poses to the health of the general population, with special attention to the health of children.

(d) For pesticide applications under paragraph (c), clause (2), the following conditions apply:

- (1) no practicable and effective alternative method of control exists;
- (2) the pesticide is among the least toxic available for control of the target pest; and
- (3) notification to residents in the area to be treated is provided at least 24 hours before application through direct notification, posting daily on the treating organization's Web site, if any, and by sending a broadcast e-mail to those persons who request notification of such, of those areas to be treated by adult mosquito control techniques during the next calendar day. For control operations related to human disease, notice under this paragraph may be given less than 24 hours in advance.

(e) For pesticide applications under paragraph (c), clauses (3) and (4), the following conditions apply:

- (1) no practicable and effective alternative method of control exists;
- (2) the pesticide is among the least toxic available for control of the target pest; and
- (3) notification of residents in the area to be treated is provided by direct notification and through publication in a newspaper of general circulation within the affected area.

(f) For purposes of this subdivision, "direct notification" may include mailings, public meetings, posted placards, neighborhood newsletters, or other means of contact designed to reach as many residents as possible. Public meetings held to meet this requirement for adult mosquito control, under paragraph (d), must be held within each city or town where the pesticide treatments are to be made, at a time and location that is convenient for residents of the area where the treatments will occur.

(g) A person may not apply a pesticide in a manner so as to expose a worker in an immediately adjacent, open field.

Sec. 3. Minnesota Statutes 2002, section 35.243, is amended to read:

35.243 [RULES FOR CONTROL OF BRUCELLOSIS IN CATTLE.]

The board of animal health shall adopt rules to provide for the control of brucellosis in cattle. The rules may include provisions for quarantine, tests, and vaccinations, and such other measures as the board deems appropriate. A prescription from a licensed veterinarian is not required for the sale of modified live vaccines used to prevent common diseases in beef cattle, except for brucellosis, rabies, and anthrax.

Sec. 4. Minnesota Statutes 2003 Supplement, section 38.02, subdivision 1, is amended to read:

Subdivision 1. [PRO RATA DISTRIBUTION; CONDITIONS.] (a) Money appropriated to aid county and district agricultural societies and associations shall be distributed among all county and district agricultural societies or associations in the state pro rata, upon condition that each of them has complied with the conditions specified in paragraph (b).

(b) To be eligible to participate in the distribution of aid, each agricultural society or association shall have:

(1) held an annual fair for each of the three years last past, unless prevented from doing so because of a calamity or an epidemic declared by the Board of Health as defined in section 145A.02, subdivision 2, ~~of the state commissioner of health, or the Board of Animal Health~~ to exist;

(2) an annual membership of ~~25~~ 15 or more;

(3) paid out to exhibitors for premiums awarded at the last fair held a sum not less than the amount to be received from the state;

(4) published and distributed, or made available on an Internet Web site, not less than three weeks before the opening day of the fair a premium list, listing all items or articles on which premiums are offered and the amounts of such premiums and shall have paid premiums pursuant to the amount shown for each article or item to be exhibited; provided that premiums for school exhibits may be advertised in the published premium list by reference to a school premium list prepared and circulated during the preceding school year; and shall have collected all fees charged for entering an exhibit at the time the entry was made and in accordance with schedule of entry fees to be charged as published in the premium list;

(5) paid not more than one premium on each article or item exhibited, excluding championship or sweepstake awards, and excluding the payment of open class premium awards to 4H Club exhibits which at this same fair had won a first prize award in regular 4H Club competition; and

(6) ~~submitted its records and annual report to the commissioner of agriculture on a form provided by the commissioner of agriculture~~, on or before the first day of November of the year in which the fair was held its annual report of premiums paid.

(c) All payments authorized under the provisions of this chapter shall be made only upon the presentation by the commissioner of agriculture with the commissioner of finance of a statement of premium allocations. As used herein the term premium shall mean the cash award paid to an exhibitor for the merit of an exhibit of livestock, livestock products, grains, fruits, flowers, vegetables, articles of domestic science, handicrafts, hobbies, fine arts, other products of a creative nature, and articles made by school pupils, or the cash award paid to the merit winner of events such as 4H Club or Future Farmer contest, youth group contests, school spelling contests and school current events contests, the award corresponding to the amount offered in the advertised premium list referred to in schedule 2. Payments of awards for horse races, horse pulls, tractor pulls, demolition derby, automobile or other racing, jackpot premiums, ball games, musical contests, talent contests, parades, and for amusement features for which admission is charged, are specifically excluded from consideration as premiums within the meaning of that term as used herein. ~~Upon receipt of the statement by the commissioner of agriculture, the commissioner of finance shall draw a voucher in favor of the agricultural society or association for the amount to which it is entitled under the provisions of this chapter.~~ The amount shall be computed as follows: On the first \$750 premiums paid by each society or association at the last fair held, the society or association shall receive 100 percent reimbursement; on the second \$750 premiums paid, 80 percent; on the third \$750 premiums paid, 60 percent; and on any sum in excess of \$2,250, 40 percent. The commissioner of finance shall make payments not later than July 15 of the year following the calendar year in which the annual fair was held to those agricultural societies or associations entitled to payments under the provisions of this chapter.

(d) If the total amount of state aid to which the agricultural societies and associations are entitled under the provisions of this chapter exceeds the amount of the appropriation ~~therefor~~, the amounts to which the societies or associations are entitled shall be prorated so that the total payments by the state will not exceed the appropriation.

Sec. 5. Minnesota Statutes 2003 Supplement, section 38.02, subdivision 3, is amended to read:

Subd. 3. ~~[CERTIFICATION, COMMISSIONER OF AGRICULTURE ENTITLEMENT FOR~~

PRO RATA DISTRIBUTION.] Any A county or district agricultural society which has held its second annual fair is entitled to share pro rata in the distribution. The commissioner of agriculture shall certify to the secretary of the State Agricultural Society, within 30 days after payments have been made, a list of all county or district agricultural societies that have complied with this chapter, and which are entitled to share in the appropriation. All Payments shall be based on reports submitted by agricultural societies under subdivision 1, paragraph (b), clause (6).

Sec. 6. Minnesota Statutes 2002, section 38.04, is amended to read:

38.04 [ANNUAL MEETINGS; REPORTS.]

Every county agricultural society shall hold an annual meeting for the election of officers and the transaction of other business on or before the third Tuesday in November. Service on the county agricultural society board or as an officer of the board is not a public office. Elected officials of the state or its political subdivisions may serve on the board or be elected as officers.

At the annual meeting, the society's secretary an officer of the society shall make a report of its proceedings for the preceding year; this report shall contain a statement of all transactions at its fairs, the numbers of entries, the amount and source of all money received, and a financial statement prepared in accordance with generally accepted accounting principles. The report must also list the amount paid out for premiums and for other purposes, and show in detail its entire receipts and expenditures during the year. The report must contain a separate accounting of any income received from the operation of horse racing on which pari-mutuel betting is conducted, and of the disposition of that income.

The treasurer shall make a comprehensive report of the funds received, paid out, and on hand, and upon whose order paid. Each secretary shall cause a certified copy of the annual report to be filed with the county recorder of the county and the commissioner of agriculture on or before the first day of November each year.

Sec. 7. Minnesota Statutes 2002, section 38.12, is amended to read:

38.12 [APPROPRIATIONS BY CERTAIN MUNICIPALITIES.]

The council of any city and the board of supervisors of any town having fairs of county and district agricultural societies or associations, who are members of the Minnesota state agricultural society, held within or in close proximity to their corporate limits or in close proximity thereto, are hereby authorized and empowered to may appropriate for and pay money to such the agricultural society or association annually a sum not exceeding \$1,000.

Sec. 8. Minnesota Statutes 2002, section 38.14, is amended to read:

38.14 [IN COUNTIES OF 150,000: APPROPRIATIONS FOR COUNTY FAIRS.]

Subdivision 1. [CONDITIONS, PROCEDURES, BOND.] In any county in this state now or hereafter having a population of 150,000, the A county board may annually appropriate not to exceed \$3,000, except that counties having more than 300,000 and less than 450,000 inhabitants may appropriate not to exceed \$5,000, money to assist in maintaining a county fair, which fair shall be under the management and control of managed by a county agricultural society. The appropriation shall be made either to the treasurer of the society or to some other suitable person, but before the money is paid, the treasurer or other person shall file with the county auditor a satisfactory bond in double the sum of the appropriation, conditioned upon the faithful disbursing and accounting for all of the funds so appropriated. The funds so appropriated shall be used solely for the purpose of obtaining, preparing, and arranging exhibits and paying premiums to exhibitors. The treasurer or other person to whom the appropriation is paid shall, within four months after the holding of any such aided annual fair, file with the county auditor a verified and detailed report showing the name and address of every person to whom any of the money was paid, together with the date of payment, and a full description of the purposes for which the money was so paid, and shall attach thereto receipts and subvouchers for each payment so made and return to the county treasurer all of the unexpended portion thereof. After the report, receipts, and subvouchers have been audited by the county board and found to be correct, it may, by resolution, release the treasurer or other person and the sureties from all further liabilities under bond.



Subd. 2. [EXCEPT RAMSEY COUNTY.] This section and section 38.15 do not apply to Ramsey County.

Sec. 9. Minnesota Statutes 2002, section 38.15, is amended to read:

38.15 [SITES AND BUILDINGS.]

The county board in any such county may also annually appropriate such further sum as it may desire, not exceeding \$7,500, money for the purpose of procuring a suitable site and the erection of erecting on it a suitable county building thereon, for the building or repairing of a race track and for grading and improving the grounds, to be used in connection with such a county fair, but the site and the building and improvements shall be and remain the property of the county, and the annual appropriation shall be used only for the purpose of so acquiring the site and building and grading and for the necessary care, repair, maintenance, and upkeep thereof. In any county in this state now or hereafter having a population in excess of 150,000 and an area of more than 5,000 square miles, the county agricultural society may expend funds appropriated to it for the year 1957 for the payment of debts and liabilities incurred during the year 1956 in the construction of county fair buildings, notwithstanding the provisions of Laws 1941, chapter 118.

Sec. 10. Minnesota Statutes 2002, section 38.16, is amended to read:

38.16 [EXEMPTION FROM ZONING ORDINANCES.]

When lands lying within the corporate limits of towns or cities of the first or second class of the state are owned by a county or agricultural society and used for agricultural fair purposes, the lands and the buildings now or hereafter erected thereon shall be are exempt from the zoning, building, and other ordinances of the town or city; provided, that no license or permit need be obtained from, nor fee paid to, the town or city in connection with the use of the lands.

Sec. 11. Minnesota Statutes 2003 Supplement, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. [ETHANOL PRODUCER PAYMENTS.] (a) The commissioner shall make cash payments to producers of ethanol located in the state that have begun production by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production, except as provided in paragraph (c), is 20 cents per gallon for each gallon of ethanol produced on or before June 30, 2000, or ten years after the start of production, whichever is later. ~~The first claim for production after June 30, 2003, must be accompanied by~~ Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments under this subdivision must file a disclosure statement on a form provided by the commissioner. The initial disclosure statement must include a detailed summary description of the organization of the business structure of the claimant, a listing of the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, ~~the distribution of income received by the claimant, including operating income and payments under this subdivision and a copy of its annual audited financial statements, including the auditor's report and footnotes.~~ The disclosure statement must include information sufficient to demonstrate that a majority of the ultimate beneficial interest in the demonstrating what percentage of the entity receiving payments under this section is owned by farmers or spouses of farmers, as defined in or other entities eligible to farm or own agricultural land in Minnesota under the provisions of section 500.24, ~~residing in Minnesota.~~ Subsequent quarterly claims annual reports must report reflect noncumulative changes in ownership of ten percent or more of the entity. ~~Payments must not be made to a claimant that has less than a majority of Minnesota farmer control except that the commissioner may grant an exemption from the farmer majority ownership requirement to a claimant that, on May 29, 2003, has demonstrated greater than 40 percent farmer ownership which, when combined with ownership interests of persons residing within 30 miles of the plant, exceeds 50 percent. In addition, a claimant located in a city of the first class which qualifies for payments in all other respects is not subject to this condition. Information provided under this paragraph is~~ The report need not disclose the identity of the persons or entities eligible to farm or own agricultural land with ownership interests, individuals residing within 30 miles of the plant, or of any other entity

with less than ten percent ownership interest, but the claimant must retain information within its files confirming the accuracy of the data provided. This data must be made available to the commissioner upon request. Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.

(b) No payments shall be made for ethanol production that occurs after June 30, 2010.

(c) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant, the payment under paragraph (a) applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol production in Minnesota during the quarter covered by the claim. For each claim and statement of total ethanol production filed under this subdivision, the volume of ethanol production must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. Except as provided in paragraph (g), the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

(g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner shall make an additional payment in the fourth quarter of each fiscal year to ethanol producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during the first three quarters of the fiscal year due to plant outages, repair, or major maintenance. Total payments to an ethanol producer in a fiscal year, including any payment under this paragraph, must not exceed the total amount the producer is eligible to receive based on the producer's approved production capacity. The provisions of this paragraph apply only to production losses that occur in quarters beginning after December 31, 1999.

(h) The commissioner shall reimburse ethanol producers for any deficiency in payments during earlier quarters if the deficiency occurred because appropriated money was insufficient to make timely payments in the full amount provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in this subdivision, the commissioner shall begin making payments for earlier deficiencies in each fiscal year that appropriations for ethanol payments exceed the amount required to make eligible scheduled payments. Payments for earlier deficiencies must continue until the deficiencies for each producer are paid in full.

Sec. 12. Minnesota Statutes 2002, section 41B.03, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR RESTRUCTURED LOAN.] In addition to the eligibility requirements of subdivision 1, a prospective borrower for a restructured loan must:

(1) have received at least 50 percent of average annual gross income from farming for the past three years or, for homesteaded property, received at least 40 percent of average gross income from farming in the past three years, and farming must be the principal occupation of the borrower;

(2) have projected annual expenses, including operating expenses, family living, and interest expenses after the restructuring, that do not exceed 95 percent of the borrower's projected annual income considering prior production history and projected prices for farm production, except that the authority may reduce the 95 percent requirement if it finds that other significant factors in the loan application support the making of the loan;

(3) demonstrate substantial difficulty in meeting projected annual expenses without restructuring the loan; and

(4) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than ~~\$400,000~~ \$660,000 in 1999 2004 and an amount in subsequent years which is adjusted for inflation by multiplying ~~\$400,000~~ that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 13. Minnesota Statutes 2002, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR BEGINNING FARMER LOANS.] (a) In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan in which the authority holds an interest, must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than ~~\$200,000 in 1991~~ \$350,000 in 2004 and an amount in subsequent years which is adjusted for inflation by multiplying ~~\$200,000~~ that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

(6) certify that farming will be the principal occupation of the borrower;

(7) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first three years of the loan, if an approved program is available within 45 miles from the borrower's residence. The commissioner may waive this requirement for any of the programs administered by the authority if the participant requests a waiver and has either a four-year degree in an agricultural program or certification as an adult farm management instructor; and

(8) agree to file an approved soil and water conservation plan with the Soil Conservation Service office in the county where the land is located.

(b) If a borrower fails to participate under paragraph (a), clause (7), the borrower is subject to penalty as determined by the authority.

Sec. 14. Minnesota Statutes 2002, section 41B.039, subdivision 2, is amended to read:

Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan or ~~\$125,000~~ \$200,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 15. Minnesota Statutes 2002, section 41B.04, subdivision 8, is amended to read:

Subd. 8. [STATE'S PARTICIPATION.] With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter

into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the primary principal or ~~\$150,000~~ \$225,000, whichever is less. The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 16. Minnesota Statutes 2002, section 41B.042, subdivision 4, is amended to read:

Subd. 4. [PARTICIPATION LIMIT; INTEREST.] The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or ~~\$125,000~~ \$200,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 17. Minnesota Statutes 2002, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. [LOAN PARTICIPATION.] The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or ~~\$125,000~~ \$200,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 18. Minnesota Statutes 2002, section 41B.043, is amended by adding a subdivision to read:

Subd. 5. [TOTAL NET WORTH LIMIT.] A prospective borrower for an agricultural improvement loan in which the authority holds an interest must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$350,000 in 2004 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 19. Minnesota Statutes 2002, section 41B.045, subdivision 2, is amended to read:

Subd. 2. [LOAN PARTICIPATION.] The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than ~~\$400,000~~ \$660,000 in ~~1999~~ 2004 and an amount in subsequent years which is adjusted for inflation by multiplying \$400,000 that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan or ~~\$250,000~~ \$275,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 20. Minnesota Statutes 2002, section 41B.046, subdivision 5, is amended to read:

Subd. 5. [LOANS.] (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or ~~\$24,000~~ \$40,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

(b) No more than 95 percent of the purchase price of the stock may be financed under this program.

(c) Security for stock loans must be the stock purchased, a personal note executed by the borrower, and whatever other security is required by the eligible lender or the authority.

(d) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the value-added agricultural product revolving fund.

(e) Stock loans under this program will be made using money in the value-added agricultural product revolving fund established under subdivision 3.

(f) The authority may not grant stock loans in a cumulative amount exceeding \$2,000,000 for the financing of stock purchases in any one cooperative.

Sec. 21. Minnesota Statutes 2002, section 41C.02, subdivision 12, is amended to read:

Subd. 12. [LOW OR MODERATE NET WORTH.] "Low or moderate net worth" means:

(1) for an individual, an aggregate net worth of the individual and the individual's spouse and minor children of less than ~~\$200,000 in 1991~~ \$350,000 in 2004 and an amount in subsequent years which is adjusted for inflation by multiplying ~~\$200,000~~ that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index; or

(2) for a partnership, an aggregate net worth of all partners, including each partner's net capital in the partnership, and each partner's spouse and minor children of less than ~~\$400,000 in 1991~~ and an amount in subsequent years which is adjusted for inflation by multiplying ~~\$400,000~~ by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index twice the amount set for an individual in clause (1). However, the aggregate net worth of each partner and that partner's spouse and minor children may not exceed ~~\$200,000 in 1991~~ and an amount in subsequent years which is adjusted for inflation by multiplying ~~\$200,000~~ by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index the amount set for an individual in clause (1).

Sec. 22. Minnesota Statutes 2002, section 156.12, subdivision 2, is amended to read:

Subd. 2. [AUTHORIZED ACTIVITIES.] No provision of this chapter shall be construed to prohibit:

(a) a person from rendering necessary gratuitous assistance in the treatment of any animal when the assistance does not amount to prescribing, testing for, or diagnosing, operating, or vaccinating and when the attendance of a licensed veterinarian cannot be procured;

(b) a person who is a regular student in an accredited or approved college of veterinary medicine from performing duties or actions assigned by instructors or preceptors or working under the direct supervision of a licensed veterinarian;

(c) a veterinarian regularly licensed in another jurisdiction from consulting with a licensed veterinarian in this state;

(d) the owner of an animal and the owner's regular employee from caring for and administering to the animal belonging to the owner, except where the ownership of the animal was transferred for purposes of circumventing this chapter;

(e) veterinarians who are in compliance with subdivision 6 and who are employed by the University of Minnesota from performing their duties with the College of Veterinary Medicine, College of Agriculture, Agricultural Experiment Station, Agricultural Extension Service, Medical School, School of Public Health, or other unit within the university; or a person from lecturing or giving instructions or demonstrations at the university or in connection with a continuing education course or seminar to veterinarians or pathologists at the University of Minnesota Veterinary Diagnostic Laboratory;

(f) any person from selling or applying any pesticide, insecticide or herbicide;

(g) any person from engaging in bona fide scientific research or investigations which reasonably requires experimentation involving animals;

(h) any employee of a licensed veterinarian from performing duties other than diagnosis, prescription or surgical correction under the direction and supervision of the veterinarian, who shall be responsible for the performance of the employee;

(i) a graduate of a foreign college of veterinary medicine from working under the direct personal instruction, control, or supervision of a veterinarian faculty member of the College of Veterinary Medicine, University of Minnesota in order to complete the requirements necessary to obtain an ECFVG certificate.

Sec. 23. Minnesota Statutes 2002, section 156.12, is amended by adding a subdivision to read:

Subd. 6. [FACULTY LICENSURE.] (a) Veterinary Medical Center clinicians at the College of Veterinary Medicine, University of Minnesota who are engaged in the practice of veterinary medicine as defined in subdivision 1 and who treat animals owned by clients of the Veterinary Medical Center must possess the same license required by other veterinary practitioners in the state of Minnesota except for persons covered by paragraphs (b) and (c).

(b) A specialty practitioner in a hard-to-fill faculty position who has been employed at the College of Veterinary Medicine, University of Minnesota for five years or more prior to 2003 or is specialty board certified by the American Veterinary Medical Association may be granted a specialty faculty Veterinary Medical Center clinician license which will allow the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center.

(c) A specialty practitioner in a hard-to-fill faculty position at the College of Veterinary Medicine, University of Minnesota who has graduated from a board-approved foreign veterinary school may be granted a temporary faculty Veterinary Medical Center clinician license. The temporary faculty Veterinary Medical Center clinician license expires in two years and allows the licensee to practice veterinary medicine as defined in subdivision 1 and treat animals owned by clients of the Veterinary Medical Center. The temporary faculty Veterinary Medical Center clinician license allows the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center. The holder of a temporary faculty Veterinary Medical Center clinician license who is enrolled in a PhD program may apply for two two-year extensions of an expiring temporary faculty Veterinary Medical Center clinician license. Any other holder of a temporary faculty Veterinary Medical Center clinician license may apply for one two-year extension of the expiring temporary faculty Veterinary Medical Center clinician license. Temporary faculty Veterinary Medical Center clinician licenses that are allowed to expire may not be renewed. The board shall grant an extension to a licensee who demonstrates suitable progress toward completing the requirements of their academic program, specialty board certification, or full licensure in Minnesota by a graduate of a foreign veterinary college.

(d) Temporary and specialty faculty Veterinary Medical Center clinician licensees must abide by all the laws governing the practice of veterinary medicine in the state of Minnesota and are subject to the same disciplinary action as any other veterinarian licensed in the state of Minnesota.

(e) The fee for a license issued under this subdivision is the same as for a regular license to practice veterinary medicine in Minnesota. License payment deadlines, late payment fees, and other license requirements are also the same as for regular licenses."

Page 1, after line 22, insert:

"Sec. 26. Minnesota Statutes 2003 Supplement, section 223.17, subdivision 4, is amended to read:

Subd. 4. [BOND.] Before a grain buyer's license is issued, the applicant for the license must file with the commissioner a bond in a penal sum prescribed by the commissioner but not less than the following amounts:

(a) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

(b) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but not more than \$750,000;

(c) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;

(d) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and

(e) \$50,000 for grain buyers whose gross annual purchases exceed are more than \$3,000,000 but not more than \$6,000,000;

(f) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000 but not more than \$12,000,000;

(g) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000 but not more than \$24,000,000; and

(h) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

A grain buyer who has filed a bond with the commissioner prior to July 1, ~~1983~~ 2004, is not required to increase the amount of the bond to comply with this section until July 1, ~~1984~~ 2005. The commissioner may postpone an increase in the amount of the bond until July 1, ~~1985~~ 2006, if a licensee demonstrates that the increase will impose undue financial hardship on the licensee, and that producers will not be harmed as a result of the postponement. The commissioner may impose other restrictions on a licensee whose bond increase has been postponed. The amount of the bond shall be based on the most recent financial statement of the grain buyer filed under subdivision 6.

A first-time applicant for a grain buyer's license ~~after July 1, 1983~~ shall file a ~~\$20,000~~ \$50,000 bond with the commissioner. This bond shall remain in effect for the first year of the license. Thereafter, the licensee shall comply with the applicable bonding requirements contained in clauses (a) to ~~(e)~~ (h).

In lieu of the bond required by this subdivision the applicant may deposit with the commissioner of finance cash, a certified check, a cashier's check, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit as defined in section 336.5-102, in the same amount as would be required for a bond.

Sec. 27. Minnesota Statutes 2002, section 223.17, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL STATEMENTS.] For the purpose of fixing or changing the amount of a required bond or for any other proper reason, the commissioner shall require an annual financial statement from a licensee which has been prepared in accordance with generally accepted accounting principles and which meets the following requirements:

(a) The financial statement shall include, but not be limited to the following: (1) a balance sheet; (2) a statement of income (profit and loss); (3) a statement of retained earnings; (4) a statement of changes in financial position; and (5) a statement of the dollar amount of grain purchased in the previous fiscal year of the grain buyer.

(b) The financial statement shall be accompanied by a ~~compilation report of the financial statement which is reviewed financial statement or audit prepared by a grain commission firm or a management firm approved by the commissioner or by an independent public accountant,~~ in accordance with standards established by the American Institute of Certified Public Accountants.

(c) The financial statement shall be accompanied by a certification by the chief executive officer or the chief executive officer's designee of the licensee, under penalty of perjury, that the financial statement accurately reflects the financial condition of the licensee for the period specified in the statement.

Only one financial statement must be filed for a chain of warehouses owned or operated as a single business entity, unless otherwise required by the commissioner. Any grain buyer having a net worth in excess of \$500,000,000 need not file the financial statement required by this subdivision but must provide the commissioner with a certified net worth statement. All financial statements filed with the commissioner are private or nonpublic data as provided in section 13.02."

Page 5, after line 1, insert:

"Sec. 33. Minnesota Statutes 2002, section 500.24, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining, or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products, the production of poultry or poultry products, or the feeding and caring for livestock that are delivered to a corporation for slaughter or processing for up to 20 days before slaughter or processing.

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

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

(1) transfer of shares of stock to a person or the spouse of a person related within the third degree of kindred according to the rules of civil law to the person making the transfer, or to a family farm trust of which the shareholder, spouse, or related person is a current beneficiary; or

(2) distribution from a family farm trust of shares of stock to a beneficiary related within the third degree of kindred according to the rules of civil law to a majority of the current beneficiaries of the trust, or to a family farm trust of which the shareholder, spouse, or related person is a current beneficiary.

For the purposes of this section, a transfer may be made with or without consideration, either directly or indirectly, during life or at death, whether or not in trust, of the shares in the family farm corporation, and stock owned by a family farm trust are considered to be owned in equal shares by the current beneficiaries.

(d) "Family farm trust" means:

(1) a trust in which:

(i) a majority of the current beneficiaries are persons or spouses of persons who are related to each other within the third degree of kindred according to the rules of civil law;

(ii) all of the current beneficiaries are natural persons or nonprofit corporations or trusts described in the Internal Revenue Code, section 170(c), as amended, and the regulations under that section; and

(iii) one of the family member current beneficiaries is residing on or actively operating the farm; or the trust leases the agricultural land to a family farm unit, a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm limited liability company, a family farm trust, an authorized farm limited liability company, a family farm partnership, or an authorized farm partnership; or



(2) a charitable remainder trust as defined in the Internal Revenue Code, section 664, as amended, and the regulations under that section, and a charitable lead trust as set forth in the Internal Revenue Code, section 170(f), and the regulations under that section, ~~if the lead period does not exceed ten years and the majority of remainder beneficiaries are related to the grantor within the third degree of kindred according to the rules of civil law.~~

~~For the purposes of this section, if a distributee trust becomes entitled to, or at the discretion of any person may receive, a distribution from income or principal of a family farm trust, then the distributee trust must independently qualify as a family farm trust.~~

(e) "Authorized farm corporation" means a corporation meeting the following standards:

(1) it has no more than five shareholders, provided that for the purposes of this section, a husband and wife are considered one shareholder;

(2) all its shareholders, other than any estate, are natural persons or a family farm trust;

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

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

(5) shareholders holding 51 percent or more of the interest in the corporation reside on the farm or are actively engaging in farming;

(6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and

(7) none of its shareholders are shareholders in other authorized farm corporations that directly or indirectly in combination with the corporation own more than 1,500 acres of agricultural land.

(f) "Authorized livestock farm corporation" means a corporation formed for the production of livestock and meeting the following standards:

(1) it is engaged in the production of livestock other than dairy cattle;

(2) all its shareholders, other than any estate, are natural persons, family farm trusts, or family farm corporations;

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

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

(5) shareholders holding 75 percent or more of the control, financial, and capital investment in the corporation are farmers ~~residing in Minnesota~~, and at least 51 percent of the required percentage of farmers are actively engaged in livestock production;

(6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and

(7) none of its shareholders are shareholders in other authorized farm corporations that directly or indirectly in combination with the corporation own more than 1,500 acres of agricultural land.

(g) "Agricultural land" means real estate used for farming or capable of being used for farming in this state.

(h) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3.

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

(j) "Family farm partnership" means a limited partnership formed for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are natural persons, ~~the spouses of persons~~, or current beneficiaries of one or more family farm trusts in which the trustee holds an interest in a family farm partnership related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on the farm, actively operating the farm, or the agricultural land was owned by one or more of the related persons for a period of five years before its transfer to the limited partnership, and none of the partners ~~are corporations~~ is a corporation. A family farm partnership does not cease to qualify as a family farm partnership because of a:

(1) transfer of a partnership interest to a person or spouse of a person related within the third degree of kindred according to the rules of civil law to the person making the transfer or to a family farm trust of which the partner, spouse, or related person is a current beneficiary; or

(2) distribution from a family farm trust of a partnership interest to a beneficiary related within the third degree of kindred according to the rules of civil law to a majority of the current beneficiaries of the trust, or to a family farm trust of which the partner, spouse, or related person is a current beneficiary.

For the purposes of this section, a transfer may be made with or without consideration, either directly or indirectly, during life or at death, whether or not in trust, of a partnership interest in the family farm partnership, and interest owned by a family farm trust is considered to be owned in equal shares by the current beneficiaries.

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

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

(2) it has no more than five partners;

(3) all its partners, other than any estate, are natural persons or family farm trusts;

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

(5) its general partners hold at least 51 percent of the interest in the land assets of the partnership and reside on the farm or are actively engaging in farming not more than 1,500 acres as a general partner in an authorized limited partnership;

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

(7) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and

(8) none of its limited partners are limited partners in other authorized farm partnerships that directly or indirectly in combination with the partnership own more than 1,500 acres of agricultural land.

(l) "Family farm limited liability company" means a limited liability company founded for the purpose of farming and the ownership of agricultural land in which the majority of the membership interests are is held by and the majority of the members are natural persons ~~or the spouses of persons~~, or current beneficiaries of one or more family farm trusts in which the trustee holds ~~stock~~ an interest in a family farm limited liability company related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related

persons is residing on the farm, actively operating the farm, or the agricultural land was owned by one or more of the related persons for a period of five years before its transfer to the limited liability company, and none of the members ~~are corporations~~ is a corporation or a limited liability company. A family farm limited liability company does not cease to qualify as a family farm limited liability company because of:

(1) a transfer of a membership interest to a person or spouse of a person related within the third degree of kindred according to the rules of civil law to the person making the transfer or to a family farm trust of which the member, spouse, or related person is a current beneficiary; or

(2) distribution from a family farm trust of a membership interest to a beneficiary related within the third degree of kindred according to the rules of civil law to a majority of the current beneficiaries of the trust, or to a family farm trust of which the member, spouse, or related person is a current beneficiary.

For the purposes of this section, a transfer may be made with or without consideration, either directly or indirectly, during life or at death, whether or not in trust, of a membership interest in the family farm limited liability company, and interest owned by a family farm trust is considered to be owned in equal shares by the current beneficiaries. Except for a state or federally chartered financial institution acquiring an encumbrance for the purpose of security or an interest under paragraph (x), a member of a family farm limited liability company may not transfer a membership interest, including a financial interest, to a person who is not otherwise eligible to be a member under this paragraph.

(m) "Authorized farm limited liability company" means a limited liability company meeting the following standards:

(1) it has no more than five members;

(2) all its members, other than any estate, are natural persons or family farm trusts;

(3) it does not have more than one class of membership interests;

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

(5) members holding 51 percent or more of both the governance rights and financial rights in the limited liability company reside on the farm or are actively engaged in farming;

(6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and

(7) none of its members are members in other authorized farm limited liability companies that directly or indirectly in combination with the authorized farm limited liability company own more than 1,500 acres of agricultural land.

Except for a state or federally chartered financial institution acquiring an encumbrance for the purpose of security or an interest under paragraph (x), a member of an authorized farm limited liability company may not transfer a membership interest, including a financial interest, to a person who is not otherwise eligible to be a member under this paragraph.

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

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

(p) "Research or experimental farm" means a corporation, limited partnership, pension, investment fund, or limited liability company that owns or operates agricultural land for research

or experimental purposes, provided that any commercial sales from the operation are incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, limited liability company, or pension or investment fund seeking initial approval by the commissioner to operate agricultural land for research or experimental purposes must first submit to the commissioner a prospectus or proposal of the intended method of operation containing information required by the commissioner including a copy of any operational contract with individual participants.

(q) "Breeding stock farm" means a corporation, limited partnership, or limited liability company, that owns or operates agricultural land for the purpose of raising breeding stock, including embryos, for resale to farmers or for the purpose of growing seed, wild rice, nursery plants, or sod. An entity that is organized to raise livestock other than dairy cattle under this paragraph that does not qualify as an authorized farm corporation must:

- (1) sell all castrated animals to be fed out or finished to farming operations that are neither directly nor indirectly owned by the business entity operating the breeding stock operation; and
- (2) report its total production and sales annually to the commissioner.

(r) "Aquatic farm" means a corporation, limited partnership, or limited liability company, that owns or leases agricultural land as a necessary part of an aquatic farm as defined in section 17.47, subdivision 3.

(s) "Religious farm" means a corporation formed primarily for religious purposes whose sole income is derived from agriculture.

(t) "Utility corporation" means a corporation regulated under Minnesota Statutes 1974, chapter 216B, that owns agricultural land for purposes described in that chapter, or an electric generation or transmission cooperative that owns agricultural land for use in its business if the land is not used for farming except under lease to a family farm unit, a family farm corporation, a family farm trust, a family farm partnership, or a family farm limited liability company.

(u) "Development organization" means a corporation, limited partnership, limited liability company, or pension or investment fund that has an interest in agricultural land for which the corporation, limited partnership, limited liability company, or pension or investment fund has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A corporation, limited partnership, limited liability company, or pension or investment fund may hold agricultural land in the amount necessary for its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, the land may not be used for farming except under lease to a family farm unit, a family farm corporation, a family farm trust, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, an authorized farm partnership, a family farm limited liability company, or an authorized farm limited liability company, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation that has entered into an agreement with the United States under the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation.

(v) "Exempt land" means agricultural land owned or leased by a corporation as of May 20, 1973, agricultural land owned or leased by a pension or investment fund as of May 12, 1981, agricultural land owned or leased by a limited partnership as of May 1, 1988, or agricultural land owned or leased by a trust as of the effective date of Laws 2000, chapter 477, including the normal expansion of that ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, for a corporation; May 12, 1981, for a pension or investment fund; May 1, 1988, for a limited partnership, or the effective date of Laws 2000, chapter 477, for a trust, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules. A corporation, limited partnership, or pension or investment fund that is eligible to own or lease agricultural land under this section prior to May 1997, or a corporation that is eligible to own or lease agricultural land as a benevolent trust under

this section prior to the effective date of Laws 2000, chapter 477, may continue to own or lease agricultural land subject to the same conditions and limitations as previously allowed.

(w) "Gifted land" means agricultural land acquired as a gift, either by grant or devise, by an educational, religious, or charitable nonprofit corporation, limited partnership, limited liability company, or pension or investment fund if all land so acquired is disposed of within ten years after acquiring the title.

(x) "Repossessioned land" means agricultural land acquired by a corporation, limited partnership, limited liability company, or pension or investment fund by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim on the land, whether created by mortgage or otherwise if all land so acquired is disposed of within five years after acquiring the title. The five-year limitation is a covenant running with the title to the land against any grantee, assignee, or successor of the pension or investment fund, corporation, limited partnership, or limited liability company. The land so acquired must not be used for farming during the five-year period, except under a lease to a family farm unit, a family farm corporation, a family farm trust, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, an authorized farm partnership, a family farm limited liability company, or an authorized farm limited liability company. Notwithstanding the five-year divestiture requirement under this paragraph, a financial institution may continue to own the agricultural land if the agricultural land is leased to the immediately preceding former owner, but must dispose of the agricultural land within ten years of acquiring the title. Livestock acquired by a pension or investment fund, corporation, limited partnership, or limited liability company in the collection of debts, or by a procedure for the enforcement of lien or claim on the livestock whether created by security agreement or otherwise after August 1, 1994, must be sold or disposed of within one full production cycle for the type of livestock acquired or 18 months after the livestock is acquired, whichever is earlier.

(y) "Commissioner" means the commissioner of agriculture.

(z) "Nonprofit corporation" means a nonprofit corporation organized under state nonprofit corporation or trust law or qualified for tax-exempt status under federal tax law that uses the land for a specific nonfarming purpose or leases the agricultural land to a family farm unit, a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm limited liability company, a family farm trust, an authorized farm limited liability company, a family farm partnership, or an authorized farm partnership.

(aa) "Current beneficiary" means a person who at any time during a year is entitled to, or at the discretion of any person may, receive a distribution from the income or principal of the trust. It does not include a distributee trust, other than a trust described in section 170(c) of the Internal Revenue Code, as amended, but does include the current beneficiaries of the distributee trust. It does not include a person in whose favor a power of appointment could be exercised until the holder of the power of appointment actually exercises the power of appointment in that person's favor. It does not include a person who is entitled to receive a distribution only after a specified time or upon the occurrence of a specified event until the time or occurrence of the event. For the purposes of this section, a distributee trust is a current beneficiary of a family farm trust.

(bb) "De minimis" means that any corporation, pension or investment fund, limited liability company, or limited partnership that directly or indirectly owns, acquires, or otherwise obtains any interest in 40 acres or less of agricultural land and annually receives less than \$150 per acre in gross revenue from rental or agricultural production.

Sec. 34. Minnesota Statutes 2002, section 500.24, subdivision 3a, is amended to read:

Subd. 3a. [LEASE AGREEMENT; CONSERVATION PRACTICE PROTECTION CLAUSE.] A corporation, pension or investment fund, limited partnership, or limited liability company other than those meeting any of the definitions in subdivision 2, paragraphs (c) to (f) or (j) to (m), when leasing farm land to a family farm unit, a family farm corporation, a family farm trust, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, an authorized farm partnership, a family farm limited liability company, or an

authorized farm limited liability company, under provisions of subdivision 2, paragraph (x), must include within the lease agreement a provision prohibiting intentional damage or destruction to a conservation practice on the agricultural land.

Sec. 35. [DELAYED PAYMENTS IN 2003.]

Not later than 60 days after the effective date of section 11, the commissioner of agriculture shall pay any producer denied payment for failure to meet the ownership and reporting requirements imposed by Laws 2003, chapter 128, article 3, section 38, the amount to which the producer would have been otherwise entitled.

Sec. 36. [REPEALER.]

Minnesota Statutes 2002, sections 38.02, subdivision 2; and 38.13, are repealed.

Sec. 37. [EFFECTIVE DATE.]

Sections 11 and 35 are effective the day following final enactment. Section 26 is effective July 1, 2004."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to agriculture; establishing a livestock production policy; modifying provisions relating to county and regional fairs; modifying ethanol plant ownership disclosure requirements; modifying eligibility and limits for certain Rural Finance Authority loans; changing certain requirements for veterinary practice; modifying amounts for certain grain buyers' bonds; providing for the validity of electronic documents and signatures for grain buyers and grain warehouses; modifying certain restrictions on farming by business organizations; modifying requirements on uses of certain vaccines in beef cattle; amending Minnesota Statutes 2002, sections 35.243; 38.04; 38.12; 38.14; 38.15; 38.16; 41B.03, subdivisions 2, 3; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b, by adding a subdivision; 41B.045, subdivision 2; 41B.046, subdivision 5; 41C.02, subdivision 12; 156.12, subdivision 2, by adding a subdivision; 223.16, by adding subdivisions; 223.17, subdivision 6; 223.177, subdivision 3; 232.21, by adding subdivisions; 232.23, subdivision 4; 500.24, subdivisions 2, 3a; Minnesota Statutes 2003 Supplement, sections 18B.07, subdivision 2; 38.02, subdivisions 1, 3; 41A.09, subdivision 3a; 223.17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 2002, sections 38.02, subdivision 2; 38.13."

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

**Senator Cohen from the Committee on Finance, to which was re-referred**

**S.F. No. 555:** A bill for an act relating to highways; allowing two-way operation of snowmobiles on either side of highway right-of-way when authorized by commissioner of transportation; amending Minnesota Statutes 2002, section 84.87, subdivision 1.

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2395:** A bill for an act relating to public safety; providing that a peace officer assigned to a bomb squad unit may operate any vehicle or combination of vehicles while engaged in bomb squad duties; amending Minnesota Statutes 2002, section 171.02, subdivision 2.

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2144:** A bill for an act relating to drivers' licenses; modifying requirements for operating motor vehicle by holder of provisional license; amending Minnesota Statutes 2002, section 171.055, subdivision 2.

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2611:** A bill for an act relating to traffic regulations; prohibiting operation of motor vehicle with child between ages of four and eight not properly fastened in a booster seat; making conforming changes; amending Minnesota Statutes 2002, section 169.685, subdivisions 4, 5, 6, 7.

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2805:** A bill for an act relating to traffic regulations; prohibiting operation of cellular telephone in moving motor vehicle by holder of provisional driver's license or instruction permit; proposing coding for new law in Minnesota Statutes, chapter 169.

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 1592:** A bill for an act relating to traffic regulations; enacting the Safe School Zone Law; making clarifying and technical changes; amending Minnesota Statutes 2002, sections 169.01, by adding a subdivision; 169.14, subdivisions 2, 4; Minnesota Statutes 2003 Supplement, section 169.14, subdivision 5a.

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 1910:** A bill for an act relating to motor carriers; making technical corrections to conform state law to amended federal regulations relating to truck driver hours; amending Minnesota Statutes 2002, section 221.0314, subdivision 9.

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 1954:** A bill for an act relating to bridges; deleting requirement for Regional Development Commission or Metropolitan Council approval of projects funded from state transportation fund; repealing Minnesota Statutes 2002, section 174.50, subdivision 4.

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2748:** A bill for an act relating to highways; imposing requirements on expenditure of certain trunk highway bond proceeds and advance construction authorizations.

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 1852:** A bill for an act relating to traffic regulations; requiring vehicles to wait at railroad crossings until roadway is clear; amending Minnesota Statutes 2002, section 169.26, subdivision 1; Minnesota Statutes 2003 Supplement, section 169.28, subdivision 1.

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 1953:** A bill for an act relating to highways; repealing requirement that designation of natural preservation routes on county state-aid highways be reviewed by advisory committee; amending Minnesota Statutes 2002, section 162.021, subdivision 5.

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

**Senator Cohen from the Committee on Finance, to which was re-referred**

**S.F. No. 2550:** A bill for an act relating to traffic regulations; making seat belt violation a primary offense; requiring all passengers to wear a seat belt; imposing petty misdemeanor penalty; dedicating portion of fine revenues to county detoxification services; amending Minnesota Statutes 2002, sections 169.686, subdivisions 1, 3; 171.05, subdivision 2b; 171.055, subdivision 2.

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

**Senator Foley from the Committee on Crime Prevention and Public Safety, to which was referred**

**S.F. No. 1943:** A bill for an act relating to crimes; prohibiting using audiovisual recording devices in motion picture theaters; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Delete everything after the enacting clause and insert:

"Section 1. [609.896] [CRIMINAL USE OF REAL PROPERTY.]

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

(a) "Audiovisual recording function" means the capability of a device to record or transmit a motion picture or any part of a motion picture by means of any technology now known or later developed.

(b) "Convicted" includes a conviction for a similar offense under the law of another state or the federal government.

(c) "Motion picture theater" means a movie theater, screening room, or other venue when used primarily for the exhibition of a motion picture.

Subd. 2. [CRIME.] (a) Any person in a motion picture theater while a motion picture is being exhibited who knowingly operates an audiovisual recording function of a device without the consent of the owner or lessee of the motion picture theater is guilty of criminal use of real property.

(b) If a person is convicted of a first offense, it is a misdemeanor.

(c) If a person is convicted of a second offense, it is a gross misdemeanor.

(d) If a person is convicted of a third or subsequent offense, it is a felony and the person may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both.

Subd. 3. [IMMUNITY OF THE REAL PROPERTY OWNER.] The owner or lessee of the motion picture theater, or the authorized agent or employee of the owner or lessee of a motion



picture theater, who alerts law enforcement authorities of an alleged violation of this section is not liable in any civil action arising out of measures taken by the owner, lessee, agent, or employee in the course of subsequently detaining a person that the owner, lessee, agent, or employee in good faith believed to have violated this section while awaiting the arrival of law enforcement authorities, unless the plaintiff can show by clear and convincing evidence that measures taken were manifestly unreasonable or the period of detention was unreasonably long.

Subd. 4. [EXCEPTION.] This section does not prevent any lawfully authorized investigative, law enforcement protective, or intelligence gathering employee or agent of the state or federal government from operating any audiovisual recording device in a motion picture theater where a motion picture is being exhibited, as part of lawfully authorized investigative, law enforcement protective, or intelligence gathering activities.

Subd. 5. [NOT PRECLUDE ALTERNATIVE PROSECUTION.] Nothing in this section prevents prosecution under any other provision of law.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 2004, and applies to crimes committed on or after that date."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Vickerman from the Committee on Agriculture, Veterans and Gaming**, to which were referred the following appointments as reported in the Journal for February 9, 2004:

**BOARD OF ANIMAL HEALTH**

Mahesh Kumar  
John Whitten

**DEPARTMENT OF AGRICULTURE  
COMMISSIONER**

Gene Hugoson

**MINNESOTA RURAL FINANCE AUTHORITY**

Lisa Heggedahl  
Julian Sjostrom

Reports the same back with the recommendation that the appointments be confirmed.

Senator Johnson, D.E. moved that the foregoing committee report be laid on the table. The motion prevailed.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 2933, 658, 452, 2778, 2273, 2703, 2164, 2205, 2631, 2756, 2593, 1822, 2428, 555, 2395, 2144, 2611, 2805, 1592, 1910, 1954, 2748, 1852, 1953 and 2550 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 1425 and 2288 were read the second time.

## MOTIONS AND RESOLUTIONS

Senator Wiger moved that the name of Senator Sparks be added as a co-author to S.F. No. 1614. The motion prevailed.

Senator Gaither moved that his name be stricken as a co-author to S.F. No. 2854. The motion prevailed.

Senator Tomassoni moved that the name of Senator Skoe be added as a co-author to S.F. No. 2915. The motion prevailed.

Senator Kleis moved that the name of Senator Lourey be added as a co-author to S.F. No. 2929. The motion prevailed.

Senator Limmer moved that S.F. No. 2879 be withdrawn from the Committee on Health and Family Security and re-referred to the Committee on Judiciary. The motion prevailed.

### Senator Sams introduced--

**Senate Resolution No. 128:** A Senate resolution recognizing and commending the International Adhesions Society for its efforts in promoting awareness of adhesions and supporting patients with adhesions.

Referred to the Committee on Rules and Administration.

Senator Scheid moved that S.F. No. 2248 be withdrawn from the Committee on State and Local Government Operations and re-referred to the Committee on Judiciary. The motion prevailed.

Senator Johnson, D.E. moved that H.F. No. 1898 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 1953, now on General Orders. The motion prevailed.

Senator Bakk moved that S.F. No. 1792 be taken from the table. The motion prevailed.

**S.F. No. 1792:** A bill for an act relating to state government; requiring that state agency contracts for services be performed by United States citizens or by individuals authorized to work in the United States; modifying the acquisition authority of the commissioner of administration; imposing sanctions on employers outsourcing jobs outside the United States; amending Minnesota Statutes 2002, section 16C.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 16C; 268.

Senator Chaudhary withdrew his amendment.

Senator Bakk moved to amend S.F. No. 1792 as follows:

Page 3, delete lines 9 to 11

Page 3, line 12, delete "(5)" and insert "(4)"

Page 3, line 15, delete "(6)" and insert "(5)"

Page 3, after line 24, insert:

"(e) The commissioner may grant a waiver from the provisions of paragraph (a) to a contractor or potential contractor that demonstrates that all employees performing services under the contract are, or will be:

(1) paid total compensation on an annualized basis, including the cost of benefits listed in clauses (2) and (3), that is at least 110 percent of the federal poverty level for a family of four;

(2) provided with employer group health care coverage or government-provided health care coverage; and

(3) provided with retirement benefits that include an employer contribution.

The contractor or potential contractor must also demonstrate that a comprehensive security assessment has been conducted if the contractor retains personally identifiable information on Minnesota residents.

Within 15 days of granting a waiver under this paragraph, the commissioner must publish notice of the waiver and the contract in the State Register. The commissioner must make information about the contract available for public review, including a copy of the contract, the findings supporting the waiver, and a description of where the work will be performed.

(f) The commissioner shall develop and implement policies, procedures, or standards that address the consideration of the use of workers in the state to perform services under state contracts in making the best value determinations required by this chapter."

### CALL OF THE SENATE

Senator Kelley imposed a call of the Senate for the balance of the proceedings on S.F. No. 1792. The Sergeant at Arms was instructed to bring in the absent members.

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

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

The roll was called, and there were yeas 45 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Kubly	Olson	Skoe
Bakk	Frederickson	Langseth	Pappas	Skoglund
Berglin	Higgins	Lourey	Pariseau	Solon
Betzold	Hottinger	Marko	Pogemiller	Sparks
Chaudhary	Johnson, D.E.	Marty	Ranum	Stumpf
Cohen	Kelley	Metzen	Rest	Tomassoni
Dibble	Kleis	Moua	Sams	Vickerman
Dille	Knutson	Murphy	Saxhaug	Wergin
Fischbach	Koering	Nienow	Scheid	Wiger

Those who voted in the negative were:

Bachmann	Hann	Kiscaden	Michel	Robling
Belanger	Johnson, D.J.	LeClair	Ortman	Ruud
Day	Jungbauer	Limmer	Ourada	Senjem
Gaither	Kierlin	McGinn	Reiter	

The motion prevailed. So the amendment was adopted.

Senator Day moved to amend S.F. No. 1792 as follows:

Page 2, line 35, after the comma, insert "the Iron Range Resources and Rehabilitation Board,"

Page 3, line 2, before "This" insert "Except for contracts entered into by the commissioner of the iron range resources and rehabilitation board,"

The question was taken on the adoption of the amendment.

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

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

LeClair	Michel	Ortman	Reiter	Senjem
Limmer	Nienow	Ourada	Robling	Wergin
McGinn	Olson	Pariseau	Ruud	

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.

S.F. No. 1792 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 42 and nays 19, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bachmann	Hann	Kiscaden	McGinn	Reiter
Belanger	Johnson, D.J.	Knutson	Michel	Robling
Day	Jungbauer	LeClair	Olson	Senjem
Gaither	Kierlin	Limmer	Ortman	

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

## MOTIONS AND RESOLUTIONS - CONTINUED

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

## REPORTS OF COMMITTEES

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

**Senator Johnson, D.E., from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2878** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

**GENERAL ORDERS**

H.F. No.            S.F. No.

**CONSENT CALENDAR**H.F. No.            S.F. No.  
2878                    2537**CALENDAR**

H.F. No.            S.F. No.

and that the above 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. Report adopted.

**SUSPENSION OF RULES**

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2878 and that the rules of the Senate be so far suspended as to give H.F. No. 2878 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2878 was read the second time.

**H.F. No. 2878:** A bill for an act relating to state observances; designating Dr. Norman E. Borlaug World Food Prize Day; proposing coding for new law in Minnesota Statutes, chapter 10.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Pursuant to Joint Rule 2.05, Senator Berglin moved that the Senate recede from its position on S.F. No. 40, and that the Senate now concur in the amendments by the House to S.F. No. 40 and that the bill be placed on its repassage as amended. The motion prevailed.

**S.F. No. 40:** A bill for an act relating to civil actions; graffiti; allowing the recovery of damages for graffiti; proposing coding for new law in Minnesota Statutes, chapter 617.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 1792 was passed by the Senate on March 25, 2004, be now reconsidered. The motion prevailed. So the vote was reconsidered.

### CALL OF THE SENATE

Senator Rest imposed a call of the Senate for the balance of the proceedings on S.F. No. 1792. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 1792 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 44 and nays 19, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bachmann	Hann	Kiscaden	McGinn	Pariseau
Belanger	Johnson, D.J.	Knutson	Michel	Reiter
Day	Jungbauer	LeClair	Olson	Ruud
Gaither	Kierlin	Limmer	Ortman	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 5.1, Senator Kleis, chief author, moved that S.F. No. 1565 be withdrawn from the Committee on Elections, given a second reading, and placed on General Orders.

**CALL OF THE SENATE**

Senator Kleis imposed a call of the Senate for the balance of the proceedings on S.F. No. 1565. The Sergeant at Arms was instructed to bring in the absent members.

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

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

The roll was called, and there were yeas 25 and nays 38, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Remaining on the Order of Business of Motions and Resolutions, Senator Johnson, D.E. moved that the Senate revert to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees and Second Reading of Senate Bills. The motion prevailed.

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1903.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 2004

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 532, 2270 and 2798.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 24, 2004

**FIRST READING OF HOUSE BILLS**

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

**H.F. No. 532:** A bill for an act relating to highways; modifying provisions governing use of highway right-of-way by snowmobiles; amending Minnesota Statutes 2002, section 84.87, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**H.F. No. 2270:** A bill for an act relating to official publications; changing provisions for publication of public notices in newspapers; requiring a report; amending Minnesota Statutes 2002, sections 279.09; 279.092; 331A.01, subdivisions 2, 3, 6, 9, 10; 331A.02, subdivisions 1, 3, 4, by adding a subdivision; 331A.03, subdivision 1, by adding a subdivision; 331A.04, as amended; 331A.05, subdivisions 3, 4, 5, 7, by adding a subdivision; 331A.06, subdivision 3, by adding a subdivision; 331A.07; 331A.08, by adding a subdivision; 331A.09; 331A.10, subdivision 1; 331A.11, subdivisions 1, 2; 375.12, subdivision 2; 375.17, subdivision 1; 412.191, subdivision 3; 471.698, subdivision 1; repealing Minnesota Statutes 2002, sections 331A.01, subdivision 5; 331A.02, subdivision 2.

Referred to the Committee on State and Local Government Operations.

**H.F. No. 2798:** A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XIII; recognizing as marriage only a union between one man and one woman.

Referred to the Committee on Judiciary.

## REPORTS OF COMMITTEES

Senator Johnson, D.E. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2957, 2202, 2561, 2512 and 2629. The motion prevailed.

### **Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 2957:** A bill for an act relating to economic development; limiting what is a qualifying business in a job opportunity building zone; amending Minnesota Statutes 2003 Supplement, section 469.310, subdivision 11.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

### **Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2680:** A bill for an act relating to traffic regulations; specifying duty of care of bus drivers to passengers; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Delete everything after the enacting clause and insert:

"Section 1. [169.2212] [BUS DRIVER DUTY OF CARE.]

The duty of care owed by a driver of a regular route transit bus to a passenger on that bus, including a passenger who is a secondary pupil, applies only when the passenger is on the bus or boarding or disembarking. The duty of care owed by a driver of a paratransit vehicle to a passenger on that vehicle, including a passenger who is a secondary pupil, applies only when the passenger is on the vehicle or boarding or disembarking, and as provided in the local passenger assistance policy. At all other times the passenger is a pedestrian and a driver's duty is limited to



the duty of care owed by an operator of a motor vehicle to a pedestrian. For purposes of this section, "regular route transit" has the meaning given it in section 174.22, subdivision 8, and "paratransit" has the meaning given it in section 174.22, subdivision 6."

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2397:** A bill for an act relating to highways; requiring commissioner of transportation to prepare toll facilities plan; prohibiting noncompete provisions in toll facility development agreements from restricting or prohibiting development, design, construction, or operation of public transit; amending Minnesota Statutes 2002, sections 160.84, subdivision 9; 160.86; proposing coding for new law in Minnesota Statutes, chapter 160.

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

Page 2, line 10, delete "3" and insert "4"

Page 2, line 19, after the period, insert "The analysis must include vehicle use projections from an independent source."

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2709:** A bill for an act relating to airports; expanding scope of airport zoning provisions to include control of uses incompatible with present and future airport use; requiring a chapter on aviation planning in the state transportation plan; creating an advisory council on aviation planning; amending Minnesota Statutes 2002, sections 174.03, by adding a subdivision; 360.061, by adding subdivisions; 360.064, subdivision 1; 360.065; 360.066, subdivisions 1, 1a; 360.074; proposing coding for new law in Minnesota Statutes, chapters 174; 360.

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

Pages 1 to 7, delete article 1

Page 7, delete lines 15 and 16

Delete the title and insert:

"A bill for an act relating to airports; requiring a chapter on aviation planning in the state transportation plan; creating an advisory council on aviation planning; amending Minnesota Statutes 2002, section 174.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 174."

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

**Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2399:** A bill for an act relating to highways; repealing authorization for construction of future toll roads and bridges; amending Minnesota Statutes 2002, sections 165.07, subdivision 4; 165.08, subdivision 3; 165.13; 469.055, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 160; repealing Minnesota Statutes 2002, sections 160.84; 160.85; 160.86; 160.87; 160.88; 160.89; 160.90; 160.91; 160.92; 165.08, subdivision 2; Minnesota Statutes 2003 Supplement, section 160.93.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 160.85, subdivision 1, is amended to read:

Subdivision 1. [ROAD AUTHORITY.] A road authority may solicit or accept proposals from and enter into development agreements with counties or private operators for developing, financing, designing, constructing, improving, rehabilitating, owning, and operating toll facilities wholly or partly within the road authority's jurisdiction. A road authority may solicit proposals from private operators only after the county in which the proposed toll facilities will be located has refused to submit a proposal. If a road authority solicits toll facility proposals, it must publish a notice of solicitation in the State Register.

Sec. 2. Minnesota Statutes 2002, section 160.85, subdivision 3, is amended to read:

Subd. 3. [APPROVAL.] No road authority and private operator may execute a development agreement without the approval of the final agreement by the commissioner. A road authority and private operator in the metropolitan area must obtain the approvals required in sections 161.162 to 161.167 and 473.166. ~~Except as otherwise provided in sections 161.162 to 161.167,~~ The governing body of a county or municipality through which a facility passes may veto the project within 30 days of approval by the commissioner.

Sec. 3. Minnesota Statutes 2002, section 160.85, subdivision 3a, is amended to read:

Subd. 3a. [INFORMATION MEETING.] Before approving or denying a development agreement, the commissioner shall hold a public information meeting in any municipality or county in which any portion of the proposed toll facility runs. The commissioner shall determine the time and place of the information meeting. The commissioner shall make the proposed development agreement available for public review at the meeting and for a reasonable period of time before the meeting.

Sec. 4. Minnesota Statutes 2002, section 160.85, subdivision 5, is amended to read:

Subd. 5. [RIGHT-OF-WAY ACQUISITION.] A private operator may acquire right-of-way by ~~donation,~~ lease, or purchase. A road authority may acquire right-of-way by donation, purchase, or eminent domain and may ~~donate,~~ sell, or lease a right-of-way to a private operator for fair value.

Sec. 5. Minnesota Statutes 2002, section 160.86, is amended to read:

160.86 [TOLL FACILITY DEVELOPMENT AGREEMENT; REQUIREMENTS.]

Subdivision 1. [REQUIRED PROVISIONS.] A development agreement must include the following provisions:

(a) The toll facility must meet the road authority's standards of design and construction for roads and bridges of the same functional classification.

(b) The commissioner must review and approve the location and design of a bridge over navigable waters as if the bridge were constructed by a road authority. This requirement does not diminish the private operator's responsibility for bridge safety.

(c) The private operator shall manage and operate the toll facility in cooperation with the road authority and subject to the development agreement.

(d) The toll facility is subject to regular inspections by the road authority and the commissioner.

(e) The agreement must provide the terms and conditions of maintenance, snow removal, and police services to the toll facility. The road authority must provide the services. The services must meet at least the road authority's standards for facilities of the same functional classification.

(f) The agreement must establish a reasonable rate of return on investment and capital during the term of the agreement.

Subd. 2. [PROHIBITED PROVISIONS.] (a) A development agreement may not include a noncompete clause or any provision that would restrict the road authority from constructing, improving, or maintaining any highway within its jurisdiction.

(b) The road authority may not allow the private operator to acquire or use the right-of-way unless the operator gives fair value for the interest in the property.

Sec. 6. Minnesota Statutes 2002, section 160.88, is amended to read:

160.88 [PUBLIC TOLL FACILITIES.]

Subject to the provisions of sections 161.162 to 161.167 and 473.166, a road authority may develop, finance, design, construct, improve, rehabilitate, own, and operate a toll facility.

Sec. 7. Minnesota Statutes 2002, section 161.162, subdivision 2, is amended to read:

Subd. 2. [FINAL LAYOUT.] (a) "Final layout" means geometric layouts and supplemental drawings that show the location, character, dimensions, access, and explanatory information about the highway construction or improvement work being proposed. "Final layout" includes, where applicable, traffic lanes, shoulders, trails, intersections, signals, bridges, approximate right-of-way limits, existing ground line and proposed grade line of the highway, turn lanes, access points and closures, sidewalks, proposed design speed, noise walls, transit considerations, auxiliary lanes, interchange locations, interchange types, sensitive areas, existing right-of-way, traffic volume and turning movements, location of stormwater drainage, location of municipal utilities, toll facilities, project schedule and estimated cost, and the name of the project manager.

(b) "Final layout" does not include a cost participation agreement. For purposes of this subdivision "cost participation agreement" means a document signed by the commissioner and the governing body of a municipality that states the costs of a highway construction project that will be paid by the municipality.

Sec. 8. Minnesota Statutes 2002, section 161.163, subdivision 1, is amended to read:

Subdivision 1. [PROJECTS REQUIRING REVIEW.] Sections 161.162 to 161.167 apply only to projects that alter access, increase or reduce highway traffic capacity, establish or modify toll facilities, or require acquisition of permanent rights-of-way.

Sec. 9. Minnesota Statutes 2002, section 161.164, subdivision 2, is amended to read:

Subd. 2. [GOVERNING BODY ACTION.] (a) Within 15 days of receiving a final layout from the commissioner, the governing body shall schedule a public hearing on the final layout. The governing body shall, within 60 days of receiving a final layout from the commissioner, conduct a public hearing at which the Department of Transportation shall present the final layout for the project. The governing body shall give at least 30 days' notice of the public hearing.

(b) Within 90 days from the date of the public hearing, the governing body shall approve or disapprove the final layout in writing, as follows:

(1) If the governing body approves the final layout or does not disapprove the final layout in writing within 90 days, in which case the final layout is deemed to be approved, the commissioner may continue the project development.

(2) If the final construction plans contain changes in access, traffic capacity, toll facilities, or acquisition of permanent right-of-way from the final layout approved by the governing body, the commissioner shall resubmit the portion of the final construction plans where changes were made to the governing body. The governing body must approve or disapprove the changes, in writing, within 60 days from the date the commissioner submits them.

(3) If the governing body disapproves the final layout, the commissioner may make modifications requested by the municipality, decide not to proceed with the project, or refer the final layout to an appeal board. The appeal board shall consist of one member appointed by the

commissioner, one member appointed by the governing body, and a third member agreed upon by both the commissioner and the governing body. If the commissioner and the governing body cannot agree upon the third member, the chief justice of the Supreme Court shall appoint a third member within 14 days of the request of the commissioner to appoint the third member.

Sec. 10. Minnesota Statutes 2002, section 161.165, subdivision 2, is amended to read:

Subd. 2. [ACTION ON APPROVED FINAL LAYOUT.] (a) If the appeal board recommends approval of the final layout or does not submit its findings and recommendations within 60 days of the hearing, in which case the final layout is deemed approved, the commissioner may prepare substantially similar final construction plans and proceed with the project.

(b) If the final construction plans change access, traffic capacity, toll facilities, or acquisition of permanent right-of-way from the final layout approved by the appeal board, the commissioner shall submit the portion of the final construction plans that shows the changes, to the governing body for its approval or disapproval under section 161.164, subdivision 2.

Sec. 11. Minnesota Statutes 2002, section 161.165, subdivision 3, is amended to read:

Subd. 3. [ACTION ON FINAL LAYOUT APPROVED WITH CHANGES.] (a) If, within 60 days, the appeal board recommends approval of the final layout with modifications, the commissioner may:

(1) prepare final construction plans with the recommended modifications, notify the governing body, and proceed with the project;

(2) decide not to proceed with the project; or

(3) prepare final construction plans substantially similar to the final layout referred to the appeal board, and proceed with the project. The commissioner shall, before proceeding with the project, file a written report with the governing body and the appeal board stating fully the reasons for doing so.

(b) If the final construction plans contain changes in access or, traffic capacity, or toll facilities, or require additional acquisition of permanent right-of-way from the final layout reviewed by the appeal board or the governing body, the commissioner shall resubmit the portion of the final construction plans that shows the changes, to the governing body for its approval or disapproval under section 161.164, subdivision 2.

Sec. 12. Minnesota Statutes 2002, section 161.165, subdivision 4, is amended to read:

Subd. 4. [ACTION ON DISAPPROVED FINAL LAYOUT.] (a) If, within 60 days, the appeal board recommends disapproval of the final layout, the commissioner may either:

(1) decide not to proceed with the project; or

(2) prepare final construction plans substantially similar to the final layout referred to the appeal board, notify the governing body and the appeal board, and proceed with the project. Before proceeding with the project, the commissioner shall file a written report with the governing body and the appeal board stating fully the reasons for doing so.

(b) If the final construction plans contain changes in access or, traffic capacity, or toll facilities, or require additional acquisition of permanent right-of-way from the final layout reviewed by the appeal board or the governing body, the commissioner shall resubmit the portion of the final construction plans that shows the changes, to the governing body for its approval or disapproval under section 161.164, subdivision 2.

Sec. 13. Minnesota Statutes 2002, section 161.166, subdivision 2, is amended to read:

Subd. 2. [ACTION ON APPROVED FINAL LAYOUT.] If the appeal board recommends approval of the final layout or does not submit its findings or recommendations within 60 days of the hearing, in which case the the final layout is deemed approved, the commissioner may prepare

substantially similar final construction plans and proceed with the project. If the final construction plans change access or, traffic capacity, or toll facilities, or require additional acquisition of right-of-way from the final layout approved by the appeal board, the commissioner shall submit the portion of the final construction plan that shows the changes, to the governing body for its approval or disapproval under section 161.164, subdivision 2.

Sec. 14. Minnesota Statutes 2002, section 161.166, subdivision 3, is amended to read:

Subd. 3. [ACTION ON FINAL LAYOUT APPROVED WITH CHANGES.] (a) If the appeal board approves the final layout with modifications, the commissioner may:

(1) prepare final construction plans including the modifications, notify the governing body, and proceed with the project;

(2) decide not to proceed with the project; or

(3) prepare a new final layout and resubmit it to the governing body for approval or disapproval under section 161.164, subdivision 2.

(b) If the final construction plans contain changes in access or, traffic capacity, or toll facilities, or require additional acquisition of permanent right-of-way from the final layout reviewed by the appeal board or the governing body, the commissioner shall resubmit the portion of the final construction plans that shows the changes, to the governing body for its approval or disapproval under section 161.164, subdivision 2.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to highways; allowing counties right of first refusal in toll facility contracts; requiring commissioner of transportation to allow public review of proposed toll facility development agreement; prohibiting private toll facility operator from acquiring right-of-way by donation; prohibiting noncompete clause in private toll facility development agreement; including toll facilities as element of final layout for municipal consent purposes; amending Minnesota Statutes 2002, sections 160.85, subdivisions 1, 3, 3a, 5; 160.86; 160.88; 161.162, subdivision 2; 161.163, subdivision 1; 161.164, subdivision 2; 161.165, subdivisions 2, 3, 4; 161.166, subdivisions 2, 3."

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

#### **Senator Kelley from the Committee on Education, to which was referred**

**S.F. No. 2202:** A bill for an act relating to education; providing for seclusion with aversive and deprivation procedures; providing for rulemaking; amending Minnesota Statutes 2002, sections 121A.66, subdivision 5, by adding a subdivision; 121A.67.

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

Page 1, line 16, delete "restrains or" and delete the second "a"

Page 1, line 17, delete "classroom, building, or"

Page 1, delete line 21 and insert:

"Subd. 6. [TIME OUT FOR SECLUSION.] "Time out for seclusion," as used in Minnesota Rules, part 3525.0200, subpart 25b, means the involuntary"

Page 1, line 22, delete "or area"

Page 1, line 23, after "is" insert "physically"

Page 2, delete line 1 and insert "The commissioner, in consultation with parent organizations, advocacy groups, the Minnesota Administrators of Special Education, the Minnesota Association of School Administrators, Education Minnesota, the Minnesota School Boards Association, the Minnesota Police Officers Association, and the school principals associations, must adopt amend rules governing the use"

Page 2, lines 21 and 22, delete "to report to the commissioner any use of emergency procedures and"

Page 2, line 23, after the semicolon, insert "and"

Page 2, delete lines 24 to 27

Page 2, line 28, delete "(9)" and insert "(8)"

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

#### **Senator Betzold from the Committee on Judiciary, to which was referred**

**S.F. No. 2561:** A bill for an act relating to government data practices; providing for compliance with law by information management systems; providing for classification of, and access to, CrimNet and other criminal justice agency information systems data; amending Minnesota Statutes 2002, sections 13.02, subdivision 18, by adding subdivisions; 13.82, subdivision 24; proposing coding for new law in Minnesota Statutes, chapter 13.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 13.02, is amended by adding a subdivision to read:

Subd. 7b. [INFORMATION MANAGEMENT SYSTEM.] "Information management system" means an electronic system used or maintained by a government entity for the management of government data.

Sec. 2. Minnesota Statutes 2002, section 13.02, is amended by adding a subdivision to read:

Subd. 7c. [INFORMATION POLICY STATUTES.] (a) "Information policy statutes" means this chapter, section 15.17, and sections 138.163 to 138.225.

(b) "Compliance with information policy statutes" means that a government entity must do the following if they have not already done so:

(1) Appoint a responsible authority and prepare a public document identifying the responsible authority's name, title, and work address;

(2) Appoint a compliance official;

(3) Post the names of data practices designees, if appointed;

(4) Design forms for obtaining informed consent for release or new uses of private data;

(5) Train designees and other staff in information policy statutes compliance;

(6) Establish procedures:

- (i) to ensure that officials respond promptly to requests for government data;
- (ii) to ensure that data on individuals are accurate, complete, and current;
- (iii) to ensure security safeguards for data on individuals; and
- (iv) for parents to access data about their minor children;
- (7) Prepare a public document containing the rights of a data subject to access public and private data about the subject and how the subject may verify the subject's identity;
- (8) Publish procedures to prevent unauthorized access to private and confidential data;
- (9) Prepare and annually update an inventory of records containing data on individuals, including data collection forms; and identify the purposes, uses, and recipients of private and confidential data on individuals collected by the government entity;
- (10) Establish procedures for gaining access to summary data and prepare summary data upon written request;
- (11) Share not public data with another entity only as required or authorized by state statute or federal law;
- (12) Modify data collection and maintenance procedures for the purpose of eliminating unnecessary data;
- (13) Periodically review data to determine which data are necessary to retain;
- (14) Make and preserve all records necessary to a full and accurate knowledge of the entity's official activities;
- (15) Dispose of records or transfer them to archives in accordance with statutory procedures and approved records retention schedules; and
- (16) When preparing a contract by which a private sector contractor performs government functions or obtains data on individuals from a government entity, include provisions that require the private contractor to comply with this chapter.

Sec. 3. Minnesota Statutes 2002, section 13.03, subdivision 4, is amended to read:

Subd. 4. [CHANGE IN CLASSIFICATION OF DATA; EFFECT OF DISSEMINATION AMONG AGENCIES.] (a) The classification of data in the possession of an agency shall change if it is required to do so to comply with either judicial or administrative rules pertaining to the conduct of legal actions or with a specific statute applicable to the data in the possession of the disseminating or receiving agency.

(b) If data on individuals is classified as both private and confidential by this chapter, or any other statute or federal law, the data is private.

(c) To the extent that government data is disseminated to state agencies, political subdivisions, or statewide systems by another state agency, political subdivision, or statewide system, the data disseminated shall have the same classification in the hands of the agency receiving it as it had in the hands of the entity providing it.

(d) If a state agency, statewide system, or political subdivision disseminates data to another state agency, statewide system, or political subdivision, a classification provided for by law in the hands of the entity receiving the data does not affect the classification of the data in the hands of the entity that disseminates the data.

(e) To the extent that judicial branch data is disseminated to government entities by the judicial branch, the data disseminated shall have the same level of accessibility in the hands of the agency receiving it as it had in the hands of the judicial branch entity providing it.

Sec. 4. [13.8703] [CRIMNET DATA CLASSIFICATION.]

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

(a) "CriMNet" is a statewide system which integrates or interconnects data from multiple criminal justice agency information systems.

(b) "CriMNet data" are criminal justice agency data created, collected, used, or maintained in the prevention, investigation, and prosecution of crime, and any resulting criminal justice system response held or accessed by CriMNet.

(c) "Audit trail data" are data created, used, or maintained by CriMNet for the purposes of ensuring and verifying that CriMNet was only accessed by authorized persons for authorized purposes.

Subd. 2. [DATA CLASSIFICATION.] Data accessed or maintained by CriMNet shall be subject to the provisions of section 13.03, subdivision 4, paragraphs (c) and (e). Except for the exercise of rights by individuals under section 13.04, access to CriMNet data is limited to criminal justice agencies as defined in section 299C.46, subdivision 2; public defenders as provided in section 611.272; federal criminal justice agencies as defined in Code of Federal Regulations, title 18, section 20.3(g); and criminal justice agencies of other states. Audit trail data created and maintained by CriMNet is classified as protected nonpublic or confidential and shall be accessible by persons who require access to ensure the security of CriMNet.

Subd. 3. [REQUESTS BY DATA SUBJECT.] When individual subjects of data make a request for access to data about themselves under section 13.04, subdivision 3, state or local law enforcement agencies with CriMNet access shall only provide a list of the originating agencies that have provided data about that individual to CriMNet. In addition to other routine audits, CriMNet shall conduct audits of system use based on complaints made by data subjects who believe that unauthorized access to or use of CriMNet data about them has occurred, if, after a review by the CriMNet responsible authority, the complaint is found to have merit. Upon completion of an audit, CriMNet shall provide the data subject who made the complaint with a summary of the outcome of the audit including any administrative or disciplinary actions recommended or taken for misuse of CriMNet access about that data subject. CriMNet shall maintain an Internet listing of all law enforcement agencies with CriMNet access.

Subd. 4. [CRIMNET TRAINING.] Criminal justice agency personnel who access CriMNet data must receive training provided by the commissioner in the provisions of law that govern access to the data, including rights of individuals to access and to contest the accuracy and completeness of public or private data.

Sec. 5. Minnesota Statutes 2002, section 299C.10, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED FINGERPRINTING.] (a) ~~Sheriffs, peace officers, and community corrections agencies operating secure juvenile detention facilities~~ The initial law enforcement jurisdiction responsible for a person's arrest or appearance in court shall take or cause to be taken immediately finger and thumb prints, photographs, distinctive physical mark identification data, information on any known aliases or street names, and other identification data requested or required by the superintendent of the bureau, of the following:

(1) persons arrested for, appearing in court on a charge of, or convicted of a felony, gross misdemeanor, or targeted misdemeanor;

(2) juveniles arrested for, appearing in court on a charge of, adjudicated delinquent for, or alleged to have committed felonies or gross misdemeanors as distinguished from those committed by adult offenders;

(3) persons reasonably believed by the arresting officer to be fugitives from justice;

(4) persons in whose possession, when arrested, are found concealed firearms or other



dangerous weapons, burglar tools or outfits, high-power explosives, or articles, machines, or appliances usable for an unlawful purpose and reasonably believed by the arresting officer to be intended for such purposes; and

(5) juveniles referred by a law enforcement agency to a diversion program for a felony or gross misdemeanor offense.

(b) If the initial law enforcement agency fails to obtain the required identification data described in paragraph (a), the sheriff may obtain the required identification data and assess the cost to the initiating agency.

(c) Unless the superintendent of the bureau requires a shorter period, within 24 hours the fingerprint records and other identification data specified under paragraph (a) must be forwarded to the bureau on such forms and in such manner as may be prescribed by the superintendent.

(e) (d) Prosecutors, courts, and probation officers and their agents, employees, and subordinates, shall attempt to ensure that the required identification data is taken on a person described in paragraph (a). When it is determined that a person has not provided the required identification data described in paragraph (a), the court shall order the sheriff to obtain that data and the sheriff may assess the cost to the initiating agency. Law enforcement may take fingerprints of an individual who is presently on probation.

(d) (e) For purposes of this section, a targeted misdemeanor is a misdemeanor violation of section 169A.20 (driving while impaired), 518B.01 (order for protection violation), 609.224 (fifth degree assault), 609.2242 (domestic assault), 609.746 (interference with privacy), 609.748 (harassment or restraining order violation), or 617.23 (indecent exposure).

(f) The criminal justice agencies described in paragraph (a) shall take or cause to be taken fingerprints of persons currently involved in the criminal justice process, on probation, on parole, or in custody for the offenses in suspense whom the superintendent of the bureau identifies as being the subject of a court disposition record and:

(1) who cannot be linked to an arrest record;

(2) whose fingerprints are necessary in order to maintain and ensure the accuracy of the bureau's criminal history files, to reduce the number of suspense files; or

(3) to comply with the mandates of section 299C.111, relating to the reduction of the number of suspense files. This duty to obtain fingerprints for the offenses in suspense at the request of the bureau shall include the requirement that fingerprints be taken in postarrest interviews, while making court appearances, while in custody, or while on any form of probation, diversion, or supervised release.

Sec. 6. Minnesota Statutes 2002, section 299C.10, is amended by adding a subdivision to read:

Subd. 1a. [COURT DISPOSITION RECORD IN SUSPENSE; FINGERPRINTING.] The superintendent of the bureau shall inform a prosecuting authority that a person prosecuted by that authority is the subject of a court disposition record in suspense which requires fingerprinting under this section. Upon being notified by the superintendent or otherwise learning of the suspense status of a court disposition record, any prosecuting authority may bring a motion in district court to compel the taking of the person's fingerprints upon a showing to the court that the person is the subject of the court disposition record in suspense.

Sec. 7. Minnesota Statutes 2002, section 299C.10, subdivision 2, is amended to read:

Subd. 2. [LAW ENFORCEMENT EDUCATION.] The sheriffs and police officers and their agents, employees, and subordinates who take finger and thumb prints must obtain training in the proper methods of taking and transmitting finger prints under this section consistent with bureau requirements.

Sec. 8. Minnesota Statutes 2002, section 299C.14, is amended to read:

## 299C.14 [INFORMATION ON RELEASED PRISONER.]

It shall be the duty of the officials having charge of the penal institutions of the state or the release of prisoners therefrom to furnish to the bureau, as the superintendent may require, finger and thumb prints, photographs, distinctive physical mark identification data, other identification data, modus operandi reports, and criminal records of prisoners heretofore, now, or hereafter confined in such penal institutions, together with the period of their service and the time, terms, and conditions of their discharge. This duty to furnish information includes, but is not limited to, requests for fingerprints as the superintendent of the bureau deems necessary to maintain and ensure the accuracy of the bureau's criminal history files, to reduce the number of suspense files, or to comply with the mandates of section 299C.111 relating to the reduction of the number of suspense files where a disposition record is received that cannot be linked to an arrest record.

Sec. 9. Minnesota Statutes 2002, section 299C.65, is amended by adding a subdivision to read:

Subd. 1a. [DATA CLASSIFICATION.] Data held by and accessible through CriMNet is classified under section 13.8703.

Sec. 10. Minnesota Statutes 2003 Supplement, section 611.272, is amended to read:

## 611.272 [ACCESS TO GOVERNMENT DATA.]

The district public defender, the state public defender, or an attorney working for a public defense corporation under section 611.216 has access to the criminal justice data communications network described in section 299C.46, as provided in this section. Access to data under this section is limited to data ~~regarding the public defender's own client~~ as necessary to prepare criminal cases in which the public defender has been appointed, including as follows:

(1) access to data about witnesses in a criminal case shall be limited to records of criminal convictions; and

(2) access to data regarding the public defender's own client which includes, but is not limited to, criminal history data under section 13.87; juvenile offender data under section 299C.095; warrant information data under section 299C.115; incarceration data under section 299C.14; conditional release data under section 299C.147; and diversion program data under section 299C.46, subdivision 5.

The public defender has access to data under this section whether accessed via CriMNet or other methods. The public defender does not have access to law enforcement active investigative data under section 13.82, subdivision 7; data protected under section 13.82, subdivision 17; or confidential arrest warrant indices data under section 13.82, subdivision 19, or to data systems maintained by a prosecuting attorney. The public defender has access to the data at no charge, except for the monthly network access charge under section 299C.46, subdivision 3, paragraph (b), and a reasonable installation charge for a terminal. Notwithstanding section 13.87, subdivision 3; 299C.46, subdivision 3, paragraph (b); 299C.48, or any other law to the contrary, there shall be no charge to public defenders for Internet access to the criminal justice data communications network.

Sec. 11. [REPORT REQUIRED.]

The Juvenile and Criminal Information Task Force established under Minnesota Statutes, section 299C.65, shall study and prepare recommendations for policy group consideration of the following:

(1) providing Web-based access to CriMNet data by data subjects;

(2) use of CriMNet data for noncriminal justice background checks without the consent of the data subject;

(3) advisability of providing public access;

(4) standards for dissemination of CriMNet data to entities that are not subject to Minnesota Statutes, chapter 13;

(5) effect of federal requirements on the rights of individuals under Minnesota Statutes, chapter 13; and

(6) implementing the Minnesota Government Data Practices Act and court rules of access requirements regarding disclosure of disputed data held by CriMNet.

The report must be submitted pursuant to Minnesota Statutes, section 299C.65, subdivision 3, and is due no later than December 1, 2004.

Sec. 12. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to government data practices; providing for compliance with law by information management systems; providing for classification of, and access to, CriMNet data; providing public defender access to criminal justice data; requiring a report; amending Minnesota Statutes 2002, sections 13.02, by adding subdivisions; 13.03, subdivision 4; 299C.10, subdivisions 1, 2, by adding a subdivision; 299C.14; 299C.65, by adding a subdivision; Minnesota Statutes 2003 Supplement, section 611.272; proposing coding for new law in Minnesota Statutes, chapter 13."

And when so amended the bill do pass and be re-referred to the Committee on Crime Prevention and Public Safety.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred**

**S.F. No. 2512:** A bill for an act relating to health; providing for public health emergencies; regulating public employees group long-term care insurance; amending Minnesota Statutes 2002, sections 12.03, subdivision 4d; 12.39, subdivision 2; 144.419, subdivision 1; 144.4195, subdivisions 1, 2, 3, 5; Minnesota Statutes 2003 Supplement, section 13.37, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 12; 144; repealing Laws 2002, chapter 402, section 21.

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

Page 13, lines 22 and 27, delete "2008" and insert "2006"

Amend the title as follows:

Page 1, lines 3 and 4, delete "regulating public employees group long-term care insurance;"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred**

**S.F. No. 2629:** A bill for an act relating to education; establishing a State Board of Education; amending Minnesota Statutes 2002, section 120A.05, by adding a subdivision; Minnesota Statutes 2003 Supplement, section 127A.05, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 127A.

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

Page 1, line 26, before the period, insert ", as provided in section 15.066"

And when so amended the bill do pass and be re-referred to the Committee on Education.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Higgins from the Committee on State and Local Government Operations, to which was referred**

**S.F. No. 2114:** A bill for an act relating to education; authorizing a public body to close a meeting to negotiate the purchase or sale of real or personal property; amending Minnesota Statutes 2002, section 13D.05, subdivision 3.

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

Page 1, line 21, delete "and strategy"

Page 1, line 22, delete "relating to that sale"

Page 1, line 24, delete "2" and insert "3"

Page 2, line 1, delete "and strategy"

Page 2, line 2, delete "relating to that sale or purchase"

Page 2, after line 2, insert:

"The proceedings of a meeting closed under this paragraph must be tape recorded at the expense of the public body. The recording must be preserved for two years after the date of the meeting and made available to the public after all real or personal property discussed at the meeting has been purchased or sold or the governing body has abandoned the purchase or sale. The real or personal property that is the subject of the closed meeting must be specifically identified on the tape. A list of members and all other persons present at the closed meeting must be made available to the public after the closed meeting. If an action is brought claiming that public business other than discussions allowed under this paragraph was transacted at a closed meeting held under this paragraph during the time when the tape is not available to the public, section 13D.03, subdivision 3, applies."

Page 2, line 3, before "The" insert "An agreement reached that is based on an offer considered at a closed meeting is contingent on approval of the public body at an open meeting." and after "meeting" insert "after the notice period required by statute or the governing body's internal procedures."

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

**SECOND READING OF SENATE BILLS**

S.F. No. 2709 was read the second time.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Senator Lourey moved that the name of Senator Pogemiller be added as a co-author to S.F. No. 2117. The motion prevailed.

Senator Ranum moved that S.F. No. 2709, on General Orders, be stricken and re-referred to the Committee on State and Local Government Operations. The motion prevailed.

Senator Sams moved that S.F. No. 2965 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Finance. The motion prevailed.

### CONSENT CALENDAR

**S.F. No. 2626:** A bill for an act relating to veterans homes; extending certain leasing authority.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**H.F. No. 2105:** A bill for an act relating to Iron Range Resources and Rehabilitation; providing for the name of the agency; amending Minnesota Statutes 2002, section 298.22, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

**Senator Kelley introduced--**

**S.F. No. 2982:** A bill for an act relating to education; authorizing charter schools to operate

school readiness programs; authorizing the use of compensatory revenue for early literacy efforts; amending Minnesota Statutes 2002, section 124D.15, subdivision 1; Minnesota Statutes 2003 Supplement, sections 124D.10, subdivision 8; 126C.15, subdivision 1.

Referred to the Committee on Education.

**Senator McGinn introduced--**

**S.F. No. 2983:** A bill for an act relating to taxation; property; modifying special assessment and property tax deferment provisions on the Caponi art park property; amending Laws 1998, chapter 389, article 3, section 41; Laws 1998, chapter 389, article 3, section 42, subdivision 2, as amended.

Referred to the Committee on Taxes.

**Senators Nienow and Wergin introduced--**

**S.F. No. 2984:** A bill for an act relating to human services; appropriating money for assistive technology.

Referred to the Committee on Finance.

**Senator Wergin introduced--**

**S.F. No. 2985:** A bill for an act relating to education; requiring school and library computers with Internet access available for student use to be equipped with software filtering or blocking technology; imposing a financial penalty; amending Minnesota Statutes 2002, sections 125B.15; 134.50.

Referred to the Committee on Education.

**Senator Vickerman introduced--**

**S.F. No. 2986:** A bill for an act relating to transportation; establishing town road sign replacement program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 164.

Referred to the Committee on Finance.

**Senator Limmer introduced--**

**S.F. No. 2987:** A bill for an act relating to crime; increasing certain penalties associated with malicious punishment of children; directing the Sentencing Guidelines Commission to rank offenses at specified severity levels; amending Minnesota Statutes 2002, section 609.377, subdivisions 5, 6.

Referred to the Committee on Crime Prevention and Public Safety.

**Senators Robling, Pogemiller and Belanger introduced--**

**S.F. No. 2988:** A bill for an act relating to taxation; property; providing that certain personal property of an electric generation facility is exempt from property taxation; amending Minnesota Statutes 2002, section 272.02, by adding a subdivision.

Referred to the Committee on Taxes.

**Senator Pogemiller introduced--**

**S.F. No. 2989:** A bill for an act relating to education; allowing schools to charge fees to

secondary students taking concurrent courses for credit; amending Minnesota Statutes 2002, section 124D.09, by adding a subdivision.

Referred to the Committee on Education.

**Senator Sams introduced--**

**S.F. No. 2990:** A bill for an act relating to retirement; general employees retirement plan of the Public Employees Retirement Association; authorizing the conversion of a retirement annuity to a disability benefit.

Referred to the Committee on State and Local Government Operations.

**Senator Vickerman introduced--**

**S.F. No. 2991:** A bill for an act relating to taxation; wind production tax; changing the due date for the wind energy reports; providing that the tax distribution is based on the previous year's local tax rates; allowing certain township levies to be adjusted for production tax in 2004; amending Minnesota Statutes 2002, section 272.029, subdivisions 4, 6.

Referred to the Committee on Taxes.

**Senators Chaudhary and Saxhaug introduced--**

**S.F. No. 2992:** A bill for an act relating to occupations; providing that certain traffic escorts are exempt from the experience requirements of a protective agent license; amending Minnesota Statutes 2002, section 326.3382, by adding a subdivision.

Referred to the Committee on Commerce.

**Senators Kiscaden and Anderson introduced--**

**S.F. No. 2993:** A bill for an act relating to appropriations; appropriating money for grants to Twin Cities community voice mail.

Referred to the Committee on Finance.

**Senator Reiter introduced--**

**S.F. No. 2994:** A bill for an act relating to the compulsive gambling statewide toll-free telephone number; requiring gambling establishments to acknowledge that the statewide toll-free compulsive gambling telephone number is paid for with state funds; amending Minnesota Statutes 2002, section 245.98, by adding a subdivision.

Referred to the Committee on Agriculture, Veterans and Gaming.

**Senator Kleis introduced--**

**S.F. No. 2995:** A bill for an act relating to insurance; amending the Insurance Guaranty Association Act to improve coverage for political subdivisions of this state when their insurance company becomes insolvent; amending Minnesota Statutes 2003 Supplement, section 60C.09, subdivision 2.

Referred to the Committee on Commerce.

**Senators Anderson, Bakk and Johnson, D.E. introduced--**

**S.F. No. 2996:** A resolution memorializing Congress to give high priority to preserving the

rights of the states and of local governments to govern themselves, when considering ratification of the Central American Free Trade Agreement.

Referred to the Committee on Jobs, Energy and Community Development.

**Senator Kubly introduced--**

**S.F. No. 2997:** A resolution memorializing Congress to reauthorize the wind power producer credit.

Referred to the Committee on Jobs, Energy and Community Development.

**Senators Betzold, Pogemiller, Moua, Bakk and Limmer introduced--**

**S.F. No. 2998:** A bill for an act relating to tax increment financing; authorizing authorities to establish an urban renewal area; amending Minnesota Statutes 2002, sections 469.174, by adding a subdivision; 469.176, by adding a subdivision.

Referred to the Committee on Taxes.

**Senator Pogemiller introduced--**

**S.F. No. 2999:** A bill for an act relating to metropolitan government; providing for the financing of metropolitan area transit and paratransit capital expenditures; authorizing the issuance of certain obligations; amending Minnesota Statutes 2002, section 473.39, by adding a subdivision.

Referred to the Committee on Finance.

**Senator Pogemiller introduced--**

**S.F. No. 3000:** A bill for an act relating to taxation; allocating income for purposes of income tax; authorizing grants to biotechnology and health sciences businesses; appropriating money; amending Minnesota Statutes 2002, section 290.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Taxes.

**Senators Stumpf and Pogemiller introduced--**

**S.F. No. 3001:** A bill for an act relating to education finance; including the education shifts to the future forecast priorities; amending Minnesota Statutes 2003 Supplement, section 16A.152, subdivision 2.

Referred to the Committee on Finance.

**Senator Pappas introduced--**

**S.F. No. 3002:** A bill for an act relating to higher education; creating a scholarship program for low-income students; appropriating money; amending Minnesota Statutes 2002, section 136A.121, by adding a subdivision.

Referred to the Committee on Finance.

**Senators Betzold; Johnson, D.E.; Cohen; Rest and Skoglund introduced--**

**S.F. No. 3003:** A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article VI; restricting the power of the judicial branch to define marriage or its equivalent.



Referred to the Committee on Judiciary. Senator Bachmann questioned the reference thereon and, under Rule 4.9, the bill was referred to the Committee on Rules and Administration.

**Senators Solon and Pappas introduced--**

**S.F. No. 3004:** A bill for an act relating to higher education; establishing low-income nursing student scholarship program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

Referred to the Committee on Finance.

**Senator Pappas introduced--**

**S.F. No. 3005:** A bill for an act relating to higher education; allowing undocumented noncitizens to qualify as residents of Minnesota for state higher education purposes; amending Minnesota Statutes 2002, sections 135A.031, subdivision 2; 136A.101, subdivision 8.

Referred to the Committee on Finance.

**Senators Rest, Kelley, Tomassoni, Senjem and Higgins introduced--**

**S.F. No. 3006:** A bill for an act relating to local government aids; amending the distribution formula and increasing the appropriation; amending Minnesota Statutes 2003 Supplement, sections 477A.013, subdivision 8; 477A.03, subdivision 2a.

Referred to the Committee on Taxes.

**MEMBERS EXCUSED**

Senators Larson and Neuville were excused from the Session of today. Senator Rosen was excused from the Session of today at 9:15 a.m. Senator Senjem was excused from the Session of today at 10:05 a.m.

**RECESS**

Senator Johnson, D.E. moved that the Senate do now recess until 3:00 p.m. The motion prevailed.

The hour of 3:00 p.m. having arrived, the President called the Senate to order.

**CALL OF THE SENATE**

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

Without objection, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

**REPORTS OF COMMITTEES**

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

**Senator Johnson, D.E. from the Committee on Rules and Administration, to which was referred under Rule 21, together with the committee report thereon,**

**S.F. No. 2077:** A bill for an act relating to health; establishing state policy for stem cell research; providing criminal penalties; amending Minnesota Statutes 2002, section 145.422, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 145.

Reports the same back with the recommendation that the report from the Committee on Health and Family Security, shown in the Journal for March 15, 2004, be amended to read:

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

**Senator Johnson, D.E. from the Committee on Rules and Administration, to which was referred for proper reference under Rule 4.9:**

**S.F. No. 3003:** A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article VI; restricting the power of the judicial branch to define marriage or its equivalent.

Reports the same back with the recommendation that the bill be re-referred as follows:

S.F. No. 3003 to the Committee on Judiciary.

Report adopted.

**Senator Johnson, D.E. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,**

**S.F. No. 2819:** A bill for an act relating to human rights; making technical changes to the Human Rights Act; amending Minnesota Statutes 2003 Supplement, sections 363A.02, subdivision 2; 363A.03, subdivisions 1, 2, 5, 8, 14, 21, 31, 35, 42, by adding subdivisions; 363A.04; 363A.06; 363A.08, subdivisions 1, 2, 3, 4, 6; 363A.09, subdivision 4; 363A.11, subdivision 4; 363A.12, subdivision 1; 363A.13, subdivision 4; 363A.15; 363A.17; 363A.19; 363A.21, subdivisions 1, 2; 363A.28, subdivisions 1, 6, 7; 363A.29, subdivision 2; 363A.40, subdivision 1; repealing Minnesota Statutes 2003 Supplement, section 363A.03, subdivisions 3, 29.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for March 25, 2004, be adopted; that committee recommendation being: "the bill do pass," and that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 2819. Report adopted.

**SECOND READING OF SENATE BILLS**

S.F. No. 2819 was read the second time.

**ADJOURNMENT**

Senator Johnson, D.E. moved that the Senate do now adjourn until 11:00 a.m., Monday, March 29, 2004. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



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