

ONE HUNDRED NINTH DAY

St. Paul, Minnesota, Thursday, May 18, 2006

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Daniel C. Conlin.

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

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

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.

May 16, 2006

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

Please be advised that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 1287, 2883 and 1039.

Sincerely,
Tim Pawlenty, Governor

May 17, 2006

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 2006 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 2006	Date Filed 2006
1287		202	4:45 p.m. May 16	May 17
	3670	203	4:57 p.m. May 16	May 17
2883		207	4:53 p.m. May 16	May 17
	2697	208	5:00 p.m. May 16	May 17
1039		211	4:50 p.m. May 16	May 17

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. 2528 and 2840.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 17, 2006

Mr. President:

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

S.F. No. 1525: A bill for an act relating to corrections; clarifying notification procedure when victim requests a test on offender; amending Minnesota Statutes 2004, section 611A.19.

Senate File No. 1525 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 17, 2006

Senator Ranum moved that S.F. No. 1525 be laid on the table. The motion prevailed.

Mr. President:

Pursuant to Joint Rule 3.02(a), the Conference Committee on House File No. 785 was discharged

after adjournment on May 23, 2005 and the bill was laid on the table.

H.F. No. 785: A bill for an act relating to financing and operation of government in this state; modifying truth in taxation provisions and adding a taxpayer satisfaction survey; changing income, corporate franchise, withholding, estate, property, sales and use, mortgage registry, health care gross revenues, motor fuels, gambling, cigarette and tobacco products, occupation, net proceeds, production, liquor, insurance, and other taxes and tax-related provisions; making technical, clarifying, collection, enforcement, refund, and administrative changes to certain taxes and tax-related provisions, tax-forfeited lands, revenue recapture, unfair cigarette sales, state debt collection, sustainable forest incentive programs, and payments in lieu of taxes; changing local government aids and credits; providing for determination of population for certain purposes; updating references to the Internal Revenue Code, changing property tax exemptions, homesteads, assessment, valuation, classification, class rates, levies, deferral, review and equalization, appeals, notices and statements, and distribution provisions; changing rent constituting property taxes and property tax refunds; requiring state contracts be with vendors registered to collect use taxes; abolishing the political contribution refund; authorizing local sales taxes; extending a sales tax expiration; providing for compliance with streamlined sales tax agreement; changing the taxation of liquor and cigarettes; authorizing income tax checkoffs; requiring registration of tax shelters and providing for a voluntary compliance initiative; changing job opportunity building zones, border city development zones, biotechnology and health sciences industry zone provisions; setting minimum employee compensation for qualifying business in a JOBZ; limiting sales tax construction exemption in job zones to businesses paying prevailing wage; requiring a referendum for certain subsidies to gambling enterprises; authorizing charges for certain emergency services; imposing a franchise fee on card clubs; defining the term "tax"; regulating tax preparers; suspending appropriations or aids to public employers who prohibit certain employees from wearing a flag on a uniform; providing for training and conduct of assessors; prohibiting purchases of tax-forfeited lands by certain local officials; providing for data classification and exchange of data; establishing a tax reform commission; providing and imposing powers and duties on the commissioner of revenue and other state agencies and departments and on certain political subdivisions and certain officials; changing and imposing penalties; requiring reports; transferring funds; appropriating money; amending Minnesota Statutes 2004, sections 4A.02; 16C.03, by adding a subdivision; 16D.10; 168A.05, subdivision 1a; 190.09, subdivision 2; 240.30, by adding a subdivision; 270.02, subdivision 3; 270.11, subdivision 2; 270.16, subdivision 2; 270.30, subdivisions 1, 5, 6, 8, by adding subdivisions; 270.65; 270.67, subdivision 4; 270.69, subdivision 4; 270A.03, subdivisions 5, 7; 272.01, subdivision 2; 272.02, subdivisions 1a, 7, 47, 53, 64, by adding subdivisions; 272.0211, subdivisions 1, 2; 272.0212, subdivisions 1, 2; 272.029, subdivisions 4, 6; 273.055; 273.0755; 273.11, subdivisions 1a, 8, by adding subdivisions; 273.111, by adding a subdivision; 273.123, subdivision 7; 273.124, subdivisions 3, 6, 8, 14, 21; 273.125, subdivision 8; 273.13, subdivisions 22, 23, 25, by adding a subdivision; 273.1315; 273.1384, subdivision 1; 273.19, subdivision 1a; 273.372; 274.01, subdivision 1; 274.014, subdivisions 2, 3; 274.14; 275.025, subdivision 4; 275.065, subdivisions 1c, 3, 4, 7, by adding subdivisions; 275.07, subdivisions 1, 4; 276.04, subdivision 2; 276.112; 276A.01, subdivision 7; 282.016; 282.08; 282.15; 282.21; 282.224; 282.301; 287.04; 289A.02, subdivision 7; 289A.08, subdivisions 1, 3, 7, 13, 16; 289A.18, subdivision 1; 289A.19, subdivision 4; 289A.20, subdivision 2; 289A.31, subdivision 2; 289A.37, subdivision 5; 289A.38, subdivisions 6, 7, by adding subdivisions; 289A.40, subdivision 2, by adding subdivisions; 289A.50, subdivisions 1, 1a; 289A.56, by adding a subdivision; 289A.60, subdivisions 2a, 4, 6, 7, 11, 13, 20, by adding subdivisions; 290.01, subdivisions 6, 7, 7b, 19, as amended, 19a, 19b, 19c, 19d, 31; 290.032, subdivisions 1, 2; 290.06, subdivisions 2c, 22, by adding a subdivision; 290.067, subdivisions 1, 2a; 290.0671, subdivisions 1, 1a; 290.0672, subdivisions 1, 2; 290.0674, subdivisions 1, 2; 290.0675, subdivision 1; 290.091, subdivisions 2, 3; 290.0922, subdivision 2; 290.191, subdivisions 2, 3; 290.92, subdivisions 1, 4b; 290A.03, subdivisions 3, 11, 13, 15, by adding subdivisions; 290A.07, by adding a subdivision; 290A.19; 290B.05, subdivision 3; 290C.05; 290C.10; 291.005, subdivision 1; 291.03, subdivision 1; 295.52, subdivision 4; 295.53, subdivision 1; 295.582; 295.60, subdivision 3; 296A.22, by adding a subdivision; 297A.61, subdivisions 3, 4, by adding a subdivision; 297A.64, subdivision 4; 297A.668, subdivisions 1, 5;

297A.67, subdivisions 2, 7, 9, 29, by adding a subdivision; 297A.68, subdivisions 2, 5, 28, 35, 37, 38, 39, by adding subdivisions; 297A.70, subdivision 10; 297A.71, subdivision 12, by adding a subdivision; 297A.72, by adding a subdivision; 297A.75, subdivision 1; 297A.87, subdivisions 2, 3; 297A.99, subdivisions 1, 3, 4, 9, by adding subdivisions; 297E.01, subdivisions 5, 7, by adding subdivisions; 297E.06, subdivision 2; 297E.07; 297F.08, subdivision 12, by adding a subdivision; 297F.09, subdivisions 1, 2; 297F.14, subdivision 4; 297G.09, by adding a subdivision; 297I.01, by adding subdivisions; 297I.05, subdivisions 4, 5, by adding a subdivision; 298.01, subdivisions 3, 4; 298.24, subdivision 1; 298.75, by adding a subdivision; 325D.33, subdivision 6; 365.43, subdivision 1; 365.431; 366.011; 366.012; 373.45, subdivision 7; 469.169, by adding a subdivision; 469.1735, subdivision 3; 469.176, subdivisions 4l, 7; 469.310, subdivision 11, by adding a subdivision; 469.315; 469.316; 469.317; 469.319, subdivision 1, by adding a subdivision; 469.320, subdivision 3; 469.330, subdivision 11; 469.335; 469.337; 469.340, subdivision 1; 473.843, subdivision 5; 473F.02, subdivisions 2, 7; 477A.011, subdivisions 3, 34, 35, 36, 38; 477A.0124, subdivisions 2, 4; 477A.013, subdivisions 8, 9, by adding a subdivision; 477A.016; 477A.03, subdivisions 2a, 2b; 477A.11, subdivision 4, by adding a subdivision; 477A.12, subdivisions 1, 2; 477A.14, subdivision 1; 645.44, by adding a subdivision; Laws 1998, chapter 389, article 3, section 42, subdivision 2, as amended; Laws 1998, chapter 389, article 8, section 43, subdivision 3; Laws 2001, First Special Session chapter 5, article 3, section 8; Laws 2001, First Special Session chapter 5, article 12, section 95, as amended; Laws 2002, chapter 377, article 3, section 4; Laws 2003, chapter 127, article 5, section 27; Laws 2003, chapter 127, article 5, section 28; Laws 2003, First Special Session chapter 21, article 5, section 13; Laws 2003, First Special Session chapter 21, article 6, section 9; Laws 2005, chapter 43, section 1; proposing coding for new law in Minnesota Statutes, chapters 15; 270; 272; 273; 275; 280; 289A; 290; 290C; 295; 297A; 297F; 373; 459; 473; repealing Minnesota Statutes 2004, sections 10A.322, subdivision 4; 16A.1522, subdivision 4; 270.85; 270.88; 272.02, subdivision 65; 273.19, subdivision 5; 273.37, subdivision 3; 274.05; 275.065, subdivisions 5a, 6, 6b, 8; 275.15; 275.61, subdivision 2; 283.07; 290.06, subdivision 23; 297E.12, subdivision 10; 469.1794, subdivision 6; 477A.08; Laws 1975, chapter 287, section 5; Laws 1998, chapter 389, article 3, section 41; Laws 2003, chapter 127, article 9, section 9, subdivision 4; Minnesota Rules, parts 8093.2000; 8093.3000; 8130.0110, subpart 4; 8130.0200, subparts 5, 6; 8130.0400, subpart 9; 8130.1200, subparts 5, 6; 8130.2900; 8130.3100, subpart 1; 8130.4000, subparts 1, 2; 8130.4200, subpart 1; 8130.4400, subpart 3; 8130.5200; 8130.5600, subpart 3; 8130.5800, subpart 5; 8130.7300, subpart 5; 8130.8800, subpart 4.

House File No. 785 has been taken from the table and new conferees have been appointed.

Krinkie, Abrams, Simpson, Vandever and Lenczewski have been appointed as such committee on the part of the House.

House File No. 785 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 17, 2006

Senator Pogemiller moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 785, and that a new Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 3045, 3988, 3664, 3116 and 3451.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 17, 2006

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 3045: A bill for an act relating to employment; exempting nonpublic schools from requirements for the timely payment of wages; amending Minnesota Statutes 2004, section 181.101.

Referred to the Committee on Jobs, Energy and Community Development.

H.F. No. 3988: A bill for an act relating to health; modifying provision in the Women's Right To Know Act; amending Minnesota Statutes 2004, section 145.4241, by adding subdivisions; Minnesota Statutes 2005 Supplement, section 145.4242.

Referred to the Committee on Health and Family Security.

H.F. No. 3664: A bill for an act relating to the military; expanding eligibility for the salary differential program for state employees ordered into active military service; permitting military personnel stationed outside Minnesota to use state parks without fee while home on leave; providing leave without pay to family members of soldiers wounded or killed while in active service, and for family members of deployed soldiers to attend send-off or homecoming ceremonies; establishing a policy statement supportive of military service; providing certain job protections for persons ordered into active military service; adding cross-references; directing institutions of higher education to provide credit for military training and experience for veterans; clarifying law governing renewal of occupational licenses and professional certifications during and following active military service; authorizing National Guard security guard employees to carry certain weapons; authorizing the placement of plaques honoring certain veterans in the Court of Honor; amending Minnesota Statutes 2004, sections 85.053, by adding a subdivision; 190.055; 326.56; 609.67, subdivisions 3, 5; 626.88, subdivision 1; Minnesota Statutes 2005 Supplement, sections 43A.183; 192.502, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 181; 190; 197.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3333, now on General Orders.

H.F. No. 3116: A bill for an act relating to game and fish; restricting the use of four by four trucks on certain public lands; modifying critical habitat private sector matching account provisions; providing definitions; providing for and modifying disposition of certain revenue; modifying provisions for designating game refuges; modifying restrictions on motorized watercraft and recreational vehicles in wildlife management areas; providing for inspection of equipment used to take wild animals; modifying certain penalty and fee amounts; modifying certain game and fish license provisions; authorizing the marking of canoe and boating routes; modifying firearms possession provisions for persons under 16; providing for collecting antler sheds; modifying firearms safety course requirements; modifying certain provisions for taking and possessing game and fish; modifying restrictions on using lights to locate animals; modifying provisions for fishing contests; authorizing county bounties on coyotes; providing for a moratorium on use of public waters for aquaculture; modifying regulation of all-terrain vehicles; creating two classes of all-terrain vehicles; requiring rulemaking; removing a spearing restriction; appropriating money; amending Minnesota Statutes 2004, sections 84.803, subdivision 2; 84.92, subdivision 8, by adding subdivisions; 84.928, by adding a subdivision; 84.943, subdivision 3; 85.32, subdivision 1; 97A.015, by adding subdivisions; 97A.055, subdivision 2; 97A.065, subdivision 2; 97A.075, subdivision 1; 97A.085, subdivision 4; 97A.101, subdivision 4; 97A.251, subdivision 1; 97A.321; 97A.465, by adding a subdivision; 97A.475, subdivision 2; 97A.535, subdivision 1; 97B.015, by adding a subdivision; 97B.021, subdivision 1, by adding a subdivision; 97B.081, subdivision 1; 97B.301, subdivision 7; 97B.311; 97C.025; 97C.081, subdivisions 4, 6, 8, 9; 97C.205; 97C.315,

subdivision 2; 97C.355, subdivision 7; 97C.371, subdivisions 3, 4; Minnesota Statutes 2005 Supplement, sections 84.9256, subdivision 1; 84.9257; 84.926, subdivision 4; 84.928, subdivision 1; 97A.405, subdivision 4; 97A.475, subdivision 3; 97A.551, subdivision 6; 197.65; proposing coding for new law in Minnesota Statutes, chapters 84; 97B; 348; repealing Minnesota Statutes 2004, section 97C.355, subdivision 6; Minnesota Rules, part 6264.0400, subpart 8, item H.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2974, now on General Orders.

H.F. No. 3451: A bill for an act relating to governmental operations; regulating certain historic properties; providing standards for dedication of land to the public in a proposed development; authorizing a dedication fee on certain new housing units; authorizing the conveyance of certain surplus state lands; requiring a study and report; removing a route from the trunk highway system; amending Minnesota Statutes 2004, section 462.358, subdivision 2b; proposing coding for new law in Minnesota Statutes, chapter 15; repealing Minnesota Statutes 2004, section 161.115, subdivisions 173, 225.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2933, now on General Orders.

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. 3747 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3747	3331				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3747 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3747, the first engrossment; and insert the language after the enacting clause of S.F. No. 3331, the first engrossment; further, delete the title of H.F. No. 3747, the first engrossment; and insert the title of S.F. No. 3331, the first engrossment.

And when so amended H.F. No. 3747 will be identical to S.F. No. 3331, and further recommends that H.F. No. 3747 be given its second reading and substituted for S.F. No. 3331, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. No. 3747 was read the second time.

MOTIONS AND RESOLUTIONS

Senator Dibble moved that the name of Senator Hottinger be added as a co-author to S.F. No. 3440. The motion prevailed.

Senator Limmer moved that his name be stricken as a co-author to S.F. No. 3723. The motion prevailed.

Senator Scheid introduced –

Senate Resolution No. 214: A Senate resolution congratulating Brooklyn Center High School for being selected a GRAMMY Signature School for 2006.

Referred to the Committee on Rules and Administration.

Senators Kelley; Johnson, D.E.; Metzen and Rest introduced –

Senate Resolution No. 215: A Senate resolution honoring Lee-Ann Stephens upon her recognition as Minnesota's 2006 Teacher of the Year.

Referred to the Committee on Rules and Administration.

Senator Scheid introduced –

Senate Resolution No. 216: A Senate resolution congratulating Brian Cocker of Brooklyn Center, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senators Johnson, D.E. and Day introduced –

Senate Concurrent Resolution No. 11: A Senate concurrent resolution relating to the delivery of bills to the Governor after final adjournment.

WHEREAS, the Minnesota Constitution, Article IV, Section 23, authorizes the presentation to the Governor after sine die adjournment of bills that passed in the last three days of the Session; NOW, THEREFORE,

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring, that upon adjournment sine die of the 84th regular session of the Legislature, bills must be presented to the Governor as follows:

(a) The Speaker of the House of Representatives, the Chief Clerk of the House of Representatives, the President of the Senate, and the Secretary of the Senate shall certify and sign each bill in the same manner and upon the same certification as each bill is signed for presentation to the Governor before adjournment sine die, and each of those officers shall continue in his designated capacity during the three days following the date of final adjournment.

(b) The Chief Clerk of the House of Representatives and the Secretary of the Senate, in accordance with the rules of the respective bodies and under the supervision and direction of the standing Committee on Rules and Legislative Administration and the standing Committee on Rules and Administration, shall carefully enroll each bill and present it to the Governor in the same manner as each bill is enrolled and presented to the Governor before adjournment of the Legislature sine die.

(c) The Revisor of Statutes shall continue to assist in all of the functions relating to enrollment of

bills of the House of Representatives and of the Senate under the supervision of the Chief Clerk of the House of Representatives and the Secretary of the Senate in the same manner that the assistance was rendered before adjournment of the Legislature sine die.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to deliver copies of this resolution to the Governor and the Secretary of State.

Senator Johnson, D.E. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

CONFIRMATION

Senator Betzold moved that the appointments of notaries public, received March 16, 2006, be taken from the table. The motion prevailed.

Senator Betzold moved that the Senate do now consent to and confirm the appointments of the notaries public. The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Senator Betzold moved that the report from the Committee on Judiciary, reported May 16, 2006, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Betzold moved that the foregoing report be now adopted. The motion prevailed.

Senator Betzold moved that in accordance with the report from the Committee on Judiciary, reported May 16, 2006, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD ON JUDICIAL STANDARDS

William J. Egan, 5237 Wooddale Ave., Edina, Hennepin County, effective May 8, 2006, for a term expiring on January 4, 2010.

Cynthia C. Jepsen, Box 254, Marine on St. Croix, Washington County, effective May 8, 2006, for a term expiring on January 4, 2010.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Senator Marty moved that the report from the Committee on Environment and Natural Resources, reported April 3, 2006, pertaining to appointments, be taken from the table. The motion prevailed.

Senator Marty moved that the foregoing report be now adopted. The motion prevailed.

Senator Marty moved that in accordance with the report from the Committee on Environment and Natural Resources, reported April 3, 2006, the Senate, having given its advice, do now consent to and confirm the appointment of:

MINNESOTA POLLUTION CONTROL AGENCY

Melanie Allen, 4617 Stonecliffe Dr., Eagan, Dakota County, effective February 17, 2005, for a term expiring on January 1, 2007.

Brian Bensen, 5823 - 47th St. S.E., St. Cloud, Sherburne County, effective February 17, 2005, for a term expiring on January 5, 2009.

Daniel D. Foley, M.D., 1581 Tamberwood Tr., Woodbury, Washington County, effective February 17, 2005, for a term expiring on January 5, 2009.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Senator Vickerman moved that the Senate do now consent to and confirm the appointment of:

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

Dean Ascheman, 537 - 17th St. N.W., Rochester, Olmsted County, effective April 13, 2005, for a term expiring on January 5, 2009.

Jeffery Johnson, 71316 - 600th St., Alpha, Jackson County, effective April 13, 2005, for a term expiring on January 5, 2009.

Violet Wagoner, 6375 St. Croix Tr. N., Oak Park Heights, Washington County, effective April 13, 2005, for a term expiring on January 5, 2009.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Senator Anderson moved that the Senate do now consent to and confirm the appointment of:

MINNESOTA HOUSING FINANCE AGENCY

Paul Gaston, 3925 Woodview Ct., Vadnais Heights, Ramsey County, effective July 26, 2004, for a term expiring on January 7, 2008.

Joseph Johnson, III, 3650 E. 4th St., Duluth, St. Louis County, effective February 7, 2005, for a term expiring on January 5, 2009.

PUBLIC UTILITIES COMMISSION

Thomas W. Pugh, 980 Terrace Ln., South St. Paul, Dakota County, effective January 3, 2005, for a term expiring on January 3, 2011.

WORKERS' COMPENSATION COURT OF APPEALS

William R. Pederson, 5117 Logan Ave. S., Minneapolis, Hennepin County, effective June 2, 2004, for a term expiring on January 4, 2010.

Miriam P. Rykken, 1389 Highland Pkwy., St. Paul, Ramsey County, effective February 7, 2005, for a term expiring on January 3, 2011.

David A. Stofferahn, 1032 Goodrich Ave., St. Paul, Ramsey County, effective June 2, 2004, for a term expiring on January 5, 2009.

Debra A. Wilson, 510 Grand Ave., St. Paul, Ramsey County, effective June 2, 2004, for a term expiring on January 5, 2009.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Senator Higgins, for Senator Lourey, moved that the Senate do now consent to and confirm the appointment of:

EMERGENCY MEDICAL SERVICES REGULATORY BOARD

James Aagenes, 513 - 7th St. N.E., Fosston, Polk County, effective June 6, 2003, for a term

expiring on January 1, 2007.

Brenda Brown, 305 Marsh St., Tyler, Lincoln County, effective March 9, 2004, for a term expiring on January 7, 2008.

Shanna Hanson, 95 - 6th Ave. N.E., Minneapolis, Hennepin County, effective March 28, 2005, for a term expiring on January 7, 2008.

Megan Hartigan, 10205 Aetna Ave. N.E., Monticello, Wright County, effective June 6, 2003, for a term expiring on January 1, 2007.

Koren L. Kaye, M.D., 645 E. County Rd. B2, Little Canada, Ramsey County, effective March 9, 2004, for a term expiring on January 7, 2008.

Mark Lindquist, M.D., 513 North Shore Dr., Detroit Lakes, Becker County, effective June 6, 2003, for a term expiring on January 1, 2007.

Brian R. Moore, M.D., 200 - 1st St. S.W., Rochester, Olmsted County, effective March 9, 2004, for a term expiring on January 7, 2008.

Donald Otte, 39298 County Rd. 185, Sauk Centre, Stearns County, effective June 6, 2003, for a term expiring on January 1, 2007.

Michael R. Parrish, 1030 - 249th Ave. N.E., Isanti, Isanti County, effective June 6, 2003, for a term expiring on January 1, 2007.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Senator Kelley moved that the Senate do now consent to and confirm the appointment of:

BOARD OF SCHOOL ADMINISTRATORS

Jean M. Haar, 104 Opal Ln., Mankato, Blue Earth County, effective February 2, 2005, for a term expiring on January 5, 2009.

Bruce H. Kramer, 4200 Lyndale Ave. S., Minneapolis, Hennepin County, effective February 2, 2005, for a term expiring on January 5, 2009.

Sanford Nelson, N. Buffalo Lake Rd. Box 91, Richwood, Becker County, effective February 2, 2005, for a term expiring on January 5, 2009.

BOARD OF TEACHING

Jennifer Brist, 1605 Sunset St., Albert Lea, Freeborn County, effective January 14, 2005, for a term expiring on January 5, 2009.

Kristi Delaney, 3762 Alexandria Ct., Woodbury, Washington County, effective January 14, 2005, for a term expiring on January 1, 2007.

Todd C. Johnson, 13608 Sunset Hill Dr., Burnsville, Dakota County, effective January 14, 2005, for a term expiring on January 5, 2009.

Leonard Runck, 1002 Elm St., Lamberton, Redwood County, effective January 14, 2005, for a term expiring on January 5, 2009.

BOARD OF THE MINNESOTA STATE ACADEMIES

Walter Kramer, 425 N. 39th Ave. W., Duluth, St. Louis County, effective January 5, 2004, for a term expiring on January 7, 2008.

BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

Ruth Grendahl, 13685 Pennock Ave., Apple Valley, Dakota County, effective January 26, 2005, for a term expiring on June 30, 2010.

The motion prevailed. So the appointments were confirmed.

RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 12:00 noon. The motion prevailed.

The hour of 12:00 noon having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Dibble, Rest, Solon, Larson and Bakk introduced—

S.F. No. 3816: A resolution memorializing the President and Congress and others to protect the Great Lakes from aquatic invasive species.

Referred to the Committee on Rules and Administration.

Senators Cohen and Kelley introduced—

S.F. No. 3817: A resolution urging the passage of the Stem Cell Research Act of 2005.

Referred to the Committee on Rules and Administration.

Senators Koering and Ruud introduced—

S.F. No. 3818: A bill for an act relating to local option sales taxes; authorizing the city of Duluth to increase its food and beverage tax; authorizing each of the cities of Austin, Baxter, Brainerd, and Nisswa to impose a local sales tax; amending Laws 1980, chapter 511, section 1, subdivision 2, as amended.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated H.F. No. 3079 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 3079: A bill for an act relating to civil actions; limiting liability on tort claims brought against the state or a municipality; limiting liability on claims brought against a governmental unit participating in a joint venture or enterprise; amending Minnesota Statutes 2004, sections 3.736, subdivision 4; 466.04, subdivision 1; 471.59, by adding a subdivision.

Senator Rest moved that the amendment made to H.F. No. 3079 by the Committee on Rules and Administration in the report adopted May 16, 2006, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Rest moved to amend H.F. No. 3079 as follows:

Page 1, lines 15, 17, 23, and 25, delete "January 1, 2010" and insert "July 1, 2009"

Page 2, lines 18, 20, 26, and 28, delete "January 1, 2010" and insert "July 1, 2009"

Page 3, line 26, after "enactment" insert ", and applies to claims arising from acts or omissions that occur on or after that date"

The motion prevailed. So the amendment was adopted.

H.F. No. 3079 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 59 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Foley Tomassoni

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

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated S.F. No. 2814 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2814: A bill for an act relating to natural resources; modifying and renaming the

Legislative Commission on Minnesota Resources; adding citizens and making structural changes; appropriating money; amending Minnesota Statutes 2004, sections 116P.02, subdivision 4; 116P.03; 116P.04, subdivision 5; 116P.05, as amended; 116P.07; 116P.08, subdivisions 3, 4, 5, 6; 116P.09, subdivisions 1, 6, by adding a subdivision; 116P.11; Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35; repealing Minnesota Statutes 2004, sections 116P.02, subdivision 2; 116P.06; Laws 2005, First Special Session chapter 1, article 2, section 156, subdivision 2.

Senator Sams moved to amend S.F. No. 2814 as follows:

Page 3, line 3, delete "a"

Page 3, line 4, delete everything after "law" and insert a period

Page 4, line 34, delete "appointees must be confirmed with" and insert "appointments are subject to"

Page 6, line 10, delete "the" and insert "law"

Page 6, line 11, delete "legislature"

Page 8, after line 32, insert:

"Sec. 15. Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision 10, is amended to read:

Subd. 10. Energy	1,896,000	1,896,000
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Summary by Fund

Trust Fund	1,896,000	1,896,000
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(a) Clean Energy Resource Teams and Community Wind Energy Rebate and Financial Assistance Program

\$350,000 the first year and \$350,000 the second year are from the trust fund to the commissioner of commerce. \$300,000 of this appropriation is to provide technical assistance to implement cost-effective conservation, energy efficiency, and renewable energy projects. \$400,000 of this appropriation is to assist ~~two~~ Minnesota communities in developing locally owned wind energy projects by offering financial assistance and rebates. This appropriation is available until June 30, 2009, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(b) [Paragraph (b) was vetoed by the governor.]

(c) Manure Methane Digester Compatible Wastes and Electrical Generation

\$50,000 the first year and \$50,000 the

second year are from the trust fund to the commissioner of agriculture to research the potential for a centrally located, multifarm manure digester and the potential use of compatible waste streams with manure digesters.

(d) Dairy Farm Digesters

\$168,000 the first year and \$168,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Project for a pilot project to evaluate anaerobic digester technology on average size dairy farms of 50 to 300 cows.

(e) Wind to Hydrogen Demonstration

\$400,000 the first year and \$400,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the University of Minnesota, West Central Research and Outreach Center, to develop a model community-scale wind-to-hydrogen facility.

(f) Natural Gas Production from Agricultural Biomass

\$50,000 the first year and \$50,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Sebesta Blomberg and Associates to demonstrate potential natural gas yield using anaerobic digestion of blends of chopped grasses or crop residue with hog manure and determine optimum operating conditions for conversion to natural gas.

(g) Biomass-Derived Oils for Generating Electricity and Reducing Emissions

\$75,000 the first year and \$75,000 the second year are from the trust fund to the University of Minnesota to evaluate the environmental and performance benefits of using renewable biomass-derived oils, such as soybean oil, for generating electricity.

(h) [Paragraph (h) was vetoed by the governor.]

(i) [Paragraph (i) was vetoed by the governor.]

Sec. 16. **CARRYFORWARD.**

The appropriation under Laws 2003, chapter 128, article 1, section 9, subdivision 6, paragraph

(c), for local initiative grants - parks and natural areas, is available until June 30, 2007. The appropriation under Laws 2003, chapter 128, article 1, section 9, subdivision 6, paragraph (l), as amended by Laws 2005, First Special Session chapter 1, article 2, section 150, for land acquisition, Minnesota Landscape Arboretum, is available until June 30, 2008."

Page 9, line 13, delete everything after "(a)" and insert "\$550,000 in fiscal year 2007 is appropriated"

Page 9, line 16, delete everything after the period

Page 9, delete line 17

Page 9, line 18, delete "this section and"

Page 9, delete lines 31 and 32

Page 10, delete lines 1 and 2

Page 10, line 3, delete "3" and insert "2"

Page 10, line 9, delete "4" and insert "3" and delete "\$450,000" and insert "\$250,000"

Page 10, line 10, delete "\$450,000" and insert "\$250,000"

Page 10, line 15, delete "5" and insert "4" and delete "\$233,000" and insert "\$200,000"

Page 10, line 16, delete "\$233,000" and insert "\$200,000"

Page 10, delete lines 19 to 24

Page 10, line 25, delete "7" and insert "5"

Page 10, line 30, delete "8" and insert "6" and delete "Upgrades to Blue Heron research vessel." and insert "Lake Superior research."

Page 10, line 32, delete everything after "Observatory"

Page 10, line 33, delete everything before the period and insert "for research on Lake Superior waters" and delete "Lake" and insert "Lakes"

Page 10, after line 35, insert:

"This appropriation is available until June 30, 2009, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program."

Page 11, delete lines 1 to 7

Page 11, line 8, delete "10" and insert "7" and delete "Climate change" and after "resources" insert "from climate change"

Page 11, line 15, delete "11" and insert "8"

Page 11, line 16, delete "\$250,000" and insert "\$145,000" and delete "\$250,000" and insert "\$145,000"

Page 11, line 20, delete "\$500,000" and insert "\$290,000"

Page 11, after line 21, insert:

"Subd. 9. Riparian land acquisition. \$370,000 in fiscal year 2006 and \$270,000 in fiscal year 2007 are appropriated to the commissioner of natural resources for fee title acquisition and easements on high-priority, sensitive riparian lands that provide high value for watershed

protection.

Subd. 10. **Statewide conservation and preservation plan.** \$150,000 in fiscal year 2006 and \$150,000 in fiscal year 2007 is to the Legislative Commission on Minnesota Resources, or its successor commission, to issue a request for a proposal to develop a statewide comprehensive plan for conservation and preservation.

Subd. 11. **Forest legacy.** \$250,000 in fiscal year 2006 and \$250,000 in fiscal year 2007 is to the commissioner of natural resources to acquire easements as described under Minnesota Statutes, chapter 84C, on private lands. The conservation easements must guarantee public access, including hunting and fishing."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2814 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 54 and nays 3, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12, Senator Langseth moved that the following members be excused for a Conference Committee on H.F. No. 2959 at 12:45 p.m.:

Senators Langseth, Pappas, Metzen, Skoglund and Koering. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

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

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

H.F. No. 2721: A bill for an act relating to environment; extending the individual sewage treatment system pilot program; modifying application of storm water rules; amending Laws 2003, chapter 128, article 1, section 165.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

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

S.F. No. 3815: A bill for an act relating to state government; clarifying the Iron Range Resources and Rehabilitation Board's funds expenditure approval process; amending Minnesota Statutes 2004, sections 298.22, subdivision 1, by adding a subdivision; 298.2213, subdivision 4; 298.223, subdivisions 2, 3; 298.296, subdivision 2; Minnesota Statutes 2005 Supplement, section 298.296, subdivision 1; repealing Minnesota Statutes 2005 Supplement, section 298.298.

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 2004, section 298.22, subdivision 1, is amended to read:

Subdivision 1. **The office of the commissioner of Iron Range resources and rehabilitation.**

(1) The office of the commissioner of Iron Range resources and rehabilitation is created as an agency in the executive branch of state government. The governor shall appoint the commissioner of Iron Range resources and rehabilitation under section 15.06.

(2) The commissioner may hold other positions or appointments that are not incompatible with duties as commissioner of Iron Range resources and rehabilitation. The commissioner may appoint a deputy commissioner. All expenses of the commissioner, including the payment of such staff and other assistance as may be necessary, must be paid out of the amounts appropriated by section 298.28 or otherwise made available by law to the commissioner.

(3) When the commissioner determines that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use of natural resources in the future and any resulting decrease in employment, the commissioner may use whatever amounts of the appropriation made to the commissioner of revenue in section 298.28 that are determined to be necessary and proper in the development of the remaining resources of the county and in the vocational training and rehabilitation of its residents, except that the amount needed to cover cost overruns awarded to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in effect after July 1, 1985, is appropriated from the general fund. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.

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

Sec. 2. Minnesota Statutes 2004, section 298.22, subdivision 8, is amended to read:

Subd. 8. **Spending priority.** In making or approving any expenditures on programs or projects, the commissioner and the board shall give the highest priority to programs and projects that target relief to those areas of the taconite assistance area as defined in section 273.1341, that have the largest

percentages of job losses and population losses directly attributable to the economic downturn in the taconite industry since the 1980s. The commissioner and the board shall compare the 1980 population and employment figures with the 2000 population and employment figures, and shall specifically consider the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company, in making or approving expenditures consistent with this subdivision, as well as the areas of residence of persons who suffered job loss for which relief is to be targeted under this subdivision. The commissioner may lease, for a term not exceeding 50 years and upon the terms determined by the commissioner and approved by the board, surface and mineral interests owned or acquired by the state of Minnesota acting by and through the office of the commissioner of Iron Range resources and rehabilitation within those portions of the taconite assistance area affected by the closure of the LTV Steel Mining Company facility near Hoyt Lakes. The payments and royalties from these leases must be deposited into the fund established in section 298.292. This subdivision supersedes any other conflicting provisions of law and does not preclude the commissioner and the board from making expenditures for programs and projects in other areas.

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

Sec. 3. Minnesota Statutes 2004, section 298.22, is amended by adding a subdivision to read:

Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation shall annually prepare a budget for operational expenditures, programs, and projects, and submit it to the Iron Range Resources and Rehabilitation Board and the governor for approval. After the budget is approved by the board and the governor, the commissioner may spend money in accordance with the approved budget.

Sec. 4. Minnesota Statutes 2004, section 298.2213, subdivision 4, is amended to read:

Subd. 4. Project approval. The board and commissioner shall by August 1 each year prepare a list of projects to be funded from the money appropriated in this section with necessary supporting information including descriptions of the projects, plans, and cost estimates. A project must not be approved by the board unless it finds that:

- (1) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;
- (2) the prospective benefits of the expenditure exceed the anticipated costs; and
- (3) in the case of assistance to private enterprise, the project will serve a sound business purpose.

~~To be proposed by the board, a~~ Each project must be approved by a majority of the Iron Range Resources and Rehabilitation Board members and the commissioner of Iron Range resources and rehabilitation. The list of projects must be submitted to the governor, who shall, by November 15 of each year, approve, disapprove, or return for further consideration, each project. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

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

Sec. 5. Minnesota Statutes 2004, section 298.223, subdivision 2, is amended to read:

Subd. 2. Administration. The taconite area environmental protection fund shall be administered by the commissioner of the Iron Range Resources and Rehabilitation Board. The commissioner shall by September 1 of each year submit to the board a list of projects to be funded from the taconite area environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon approval by a majority of the members of the Iron Range Resources and Rehabilitation Board, this list shall be submitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the board and governor. The commissioner may submit supplemental

projects to the board and governor for approval at any time.

Sec. 6. Minnesota Statutes 2004, section 298.223, subdivision 3, is amended to read:

Subd. 3. **Appropriation.** There is hereby annually appropriated to the commissioner of Iron Range resources and rehabilitation ~~such taconite area environmental protection funds as are necessary to carry out the approved projects approved and programs and such the funds as are necessary for administration of this section.~~ Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the amount annually expended from the fund.

Funds for the purposes of this section are provided by section 298.28, subdivision 11, relating to the taconite area environmental protection fund.

Sec. 7. Minnesota Statutes 2005 Supplement, section 298.296, subdivision 1, is amended to read:

Subdivision 1. **Project approval.** The board and commissioner shall by August 1 of each year prepare a list of projects to be funded from the Douglas J. Johnson economic protection trust with necessary supporting information including description of the projects, plans, and cost estimates. These projects shall be consistent with the priorities established in section 298.292 and shall not be approved by the board unless it finds that:

(a) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;

(b) the prospective benefits of the expenditure exceed the anticipated costs; and

(c) in the case of assistance to private enterprise, the project will serve a sound business purpose.

~~To be proposed by the board, a~~ Each project must be approved by at least eight Iron Range Resources and Rehabilitation Board members and the commissioner of Iron Range resources and rehabilitation. The list of projects shall be submitted to the governor, who shall, by November 15 of each year, approve or disapprove, or return for further consideration, each project. The money for a project may be expended only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

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

Sec. 8. Minnesota Statutes 2005 Supplement, section 298.298, is amended to read:

298.298 LONG-RANGE PLAN.

Consistent with the policy established in sections 298.291 to 298.298, the Iron Range Resources and Rehabilitation Board shall prepare and present to the governor and the legislature by ~~January 1, 1984~~ December 31, 2006, a long-range plan for the use of the Douglas J. Johnson economic protection trust fund for the economic development and diversification of the taconite assistance area defined in section 273.1341. ~~The Iron Range Resources and Rehabilitation Board shall, before November 15 of each even numbered year, prepare a report to the governor and legislature updating and revising this long range plan and reporting on the Iron Range Resources and Rehabilitation Board's progress on those matters assigned to it by law. After January 1, 1984, No project shall be approved by the Iron Range Resources and Rehabilitation Board which is not consistent with the goals and objectives established in the long-range plan.~~

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

Sec. 9. **MINNESOTA MINERALS 21ST CENTURY FUND; APPROPRIATION.**

\$12,500,000 is appropriated from the general fund to the commissioner of employment and economic development for transfer to the Minnesota minerals 21st century fund under Minnesota Statutes, section 116J.423.

EFFECTIVE DATE. This section is effective July 1, 2007."

Amend the title accordingly

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

SECOND READING OF SENATE BILLS

S.F. No. 3815 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 2721 was read the second time.

RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 2:15 p.m. The motion prevailed. The hour of 2:15 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated S.F. No. 3234 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 3234: A bill for an act relating to commerce; regulating statutory housing warranties; clarifying the legislature's intent that housing warranties and insurance contract obligations remain unaffected by corporate dissolution; amending Minnesota Statutes 2004, sections 60A.08, subdivision 6; 302A.781, by adding a subdivision; 322B.863, by adding a subdivision; 327A.02, by adding a subdivision.

Senator Betzold moved to amend S.F. No. 3234 as follows:

Page 2, after line 10, insert:

"Sec. 5. Minnesota Statutes 2004, 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. If the vendee is the prevailing party, the vendee may also be awarded the vendee's costs, disbursements, and reasonable attorney fees. Damages shall be limited to:

(a) (1) the amount necessary to remedy the defect or breach; or

~~(b)~~ (2) 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. If the owner is the prevailing party, the owner may also be awarded the owner's costs, disbursements, and reasonable attorney fees. Damages shall be limited to the amount necessary to remedy the defect or breach.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to causes of action pending on or commenced on or after that date.

Sec. 6. **[604.17] BAD FAITH INSURANCE PRACTICES.**

Subdivision 1. **Prohibited conduct.** (a) An insurer shall not act in bad faith in connection with any matter involving a claim under an insurance policy.

(b) Insurer bad faith includes insurer delay or denial of benefits offered or paid without an objectively reasonable basis for its offer, delay, or denial. An insurer also acts in bad faith if the insurer engages in any fraud, false pretense, false promise, misrepresentation, misleading statement, or deceptive practice that others rely on in connection with any matter involving a claim under an insurance policy.

(c) For purposes of this section:

(1) "insurance policy" means an insurance policy or contract issued, executed, renewed, maintained, or delivered in this state, other than a workers' compensation insurance policy or contract; and

(2) "insurer" means an individual, corporation, association, partnership, or other legal entity that issues, executes, renews, maintains, or delivers an insurance policy in this state.

Subd. 2. **Penalties and remedies.** A person violating subdivision 1 is acting against the public interest and is liable for costs, damages, and reasonable attorney fees.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to causes of action commenced on or after that date."

Page 2, delete lines 12 to 14 and insert:

"Sections 1 to 4 are effective the day following final enactment and apply to actions pending on or commenced on or after that date, provided that the action is brought within the time limitation in Minnesota Statutes, section 541.051, subdivision 4."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate for the balance of the proceedings on S.F. No. 3234. The Sergeant at Arms was instructed to bring in the absent members.

Senator Limmer questioned whether the amendment was germane.

The President ruled that the amendment was germane.

Senator Ortman requested division of the Betzold amendment as follows:

First portion:

Page 2, after line 10, insert:

"Sec. 6. **[604.17] BAD FAITH INSURANCE PRACTICES.**

Subdivision 1. **Prohibited conduct.** (a) An insurer shall not act in bad faith in connection with any matter involving a claim under an insurance policy.

(b) Insurer bad faith includes insurer delay or denial of benefits offered or paid without an objectively reasonable basis for its offer, delay, or denial. An insurer also acts in bad faith if the insurer engages in any fraud, false pretense, false promise, misrepresentation, misleading statement, or deceptive practice that others rely on in connection with any matter involving a claim under an insurance policy.

(c) For purposes of this section:

(1) "insurance policy" means an insurance policy or contract issued, executed, renewed, maintained, or delivered in this state, other than a workers' compensation insurance policy or contract; and

(2) "insurer" means an individual, corporation, association, partnership, or other legal entity that issues, executes, renews, maintains, or delivers an insurance policy in this state.

Subd. 2. **Penalties and remedies.** A person violating subdivision 1 is acting against the public interest and is liable for costs, damages, and reasonable attorney fees.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to causes of action commenced on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the Betzold amendment.

The roll was called, and there were yeas 32 and nays 31, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bachmann	Gerlach	Koering	Nienow	Scheid
Belanger	Hann	Larson	Olson	Sparks
Bonoff	Johnson, D.J.	LeClair	Ortman	Stumpf
Day	Jungbauer	Limmer	Reiter	
Dille	Kierlin	McGinn	Robling	
Fischbach	Kiscaden	Michel	Rosen	
Frederickson	Koch	Murphy	Ruud	

The motion prevailed. So the first portion of the amendment was adopted.

Second portion:

Page 2, after line 10, insert:

"Sec. 5. Minnesota Statutes 2004, 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. If the vendee is the prevailing party, the vendee may also be awarded the vendee's costs, disbursements, and reasonable attorney fees. Damages shall be limited to:

(a) (1) the amount necessary to remedy the defect or breach; or

~~(b)~~ (2) 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. If the owner is the prevailing party, the owner may also be awarded the owner's costs, disbursements, and reasonable attorney fees. Damages shall be limited to the amount necessary to remedy the defect or breach.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to causes of action pending on or commenced on or after that date."

Page 2, delete lines 12 to 14 and insert:

"Sections 1 to 4 are effective the day following final enactment and apply to actions pending on or commenced on or after that date, provided that the action is brought within the time limitation in Minnesota Statutes, section 541.051, subdivision 4."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the second portion of the Betzold amendment. The motion prevailed. So the second portion of the amendment was adopted.

S.F. No. 3234 was read the third time, as amended.

Senator Anderson moved that S.F. No. 3234 be laid on the table. The motion prevailed.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 3237.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 18, 2006

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 3237: A bill for an act relating to education; authorizing a local task force to examine

the governance, facilities, and programming of the Elk River school district.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2894, now on General Orders.

MOTIONS AND RESOLUTIONS - CONTINUED

RECESS

Senator Johnson, D.E. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

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

APPOINTMENTS

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

H.F. No. 785: Senators Pogemiller, Belanger, Skoe, Moua and Marty.

Senator Johnson, D.E. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Senators Lourey, Pariseau and Wergin were excused from the Session of today. Senator Cohen was excused from the Session of today from 10:30 to 11:00 a.m. Senator Senjem was excused from the Session of today from 10:30 a.m. to 3:15 p.m. Senator Bachmann was excused from the Session of today from 12:00 noon to 12:50 p.m. Senator Johnson, D.J. was excused from the Session of today from 12:00 noon to 2:40 p.m.

ADJOURNMENT

Senator Johnson, D.E. moved that the Senate do now adjourn until 10:00 a.m., Friday, May 19, 2006. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

