

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-FIFTH LEGISLATURE

THIRTY-SEVENTH DAY

St. Paul, Minnesota, Monday, March 26, 2007

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Senator Pogemiller 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. Craig Richter.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Anderson	Erickson Ropes	Larson	Olson, M.	Senjem
Bakk	Fischbach	Latz	Ortman	Sheran
Berglin	Frederickson	Limmer	Pappas	Sieben
Betzold	Gerlach	Lourey	Pariseau	Skoe
Bonoff	Gimse	Lynch	Pogemiller	Skogen
Carlson	Hann	Marty	Prettner Solon	Sparks
Chaudhary	Ingebrigtsen	Metzen	Rest	Stumpf
Clark	Johnson	Michel	Robling	Tomassoni
Cohen	Jungbauer	Moua	Rosen	Torres Ray
Day	Koch	Murphy	Rummel	Vandever
Dibble	Koering	Neuville	Saltzman	Vickerman
Dille	Kubly	Olseen	Saxhaug	Wergin
Doll	Langseth	Olson, G.	Scheid	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 communication was received.

March 21, 2007

The Honorable Margaret Anderson Kelliher
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 Act of the 2007 Session of the State Legislature has been received from the Office of the Governor and is 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 2007	Date Filed 2007
736		6	9:51 a.m. March 21	March 21

Sincerely,
Mark Ritchie
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. 1168 and 1294.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned March 24, 2007

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1033 and 946.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 24, 2007

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 1033: A bill for an act relating to crime victims; expanding the protection against employer retaliation; amending Minnesota Statutes 2006, section 611A.036, subdivisions 2, 7.

Referred to the Committee on Judiciary.

H.F. No. 946: A bill for an act relating to transportation finance; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for fund transfers, general contingent accounts, tort claims, and state land sales; authorizing sale and issuance of

trunk highway bonds for highways and transit facilities; modifying motor fuels and registration taxes; allocating motor vehicle sales tax revenue; modifying county state-aid allocation formula; modifying county wheelage tax; authorizing local transportation sales and use taxes; modifying provisions relating to various transportation-related funds and accounts; modifying fees for license plates, drivers' licenses, identification cards, and state patrol escort and flight services; prohibiting future toll facilities; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 16A.88; 161.04, subdivision 3, by adding a subdivision; 162.06; 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011, subdivision 6; 168.013, subdivisions 1, 1a; 168.017, subdivision 3; 168.12, subdivision 5; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 296A.07, subdivision 3; 296A.08, subdivision 2; 297A.94; 297B.09, subdivision 1; 299D.09; 473.388, subdivision 4; 473.446, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 160; 297A; repealing Minnesota Statutes 2006, section 174.32.

Senator Pogemiller moved that H.F. No. 946 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 966: A bill for an act relating to drivers' licenses; clarifying requirement that driver's license not be expired; amending Minnesota Statutes 2006, section 171.02, subdivision 1.

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 2006, section 169.01, is amended by adding a subdivision to read:

Subd. 92. **Valid license; valid driver's license.** "Valid license," "valid driver's license," "valid Minnesota driver's license," "valid standard driver's license," or other similar term, has the meaning given in section 171.01, subdivision 49a.

Sec. 2. Minnesota Statutes 2006, section 171.01, is amended by adding a subdivision to read:

Subd. 49a. **Valid license; valid driver's license.** "Valid license," "valid driver's license," "valid Minnesota driver's license," "valid standard driver's license," or other similar term, means any operator's license, provisional license, temporary license, limited license, permit, or other license to operate a motor vehicle issued or issuable under the laws of this state by the commissioner, or by another state or jurisdiction if specified, that is:

- (1) not expired, suspended, revoked, or canceled; and
- (2) not disqualified for the class of vehicle being operated.

Sec. 3. Minnesota Statutes 2006, section 171.02, subdivision 1, is amended to read:

Subdivision 1. **License required; duplicate identification restricted.** (a) Except when expressly exempted, a person shall not drive a motor vehicle upon a street or highway in this state unless the person has a ~~license~~ valid license under this chapter for the type or class of vehicle being driven.

(b) The department shall not issue a driver's license to a person unless and until the person's license from any jurisdiction has been invalidated. The department shall provide to the issuing department of any jurisdiction, information that the licensee is now licensed in Minnesota. A person is not permitted to have more than one valid driver's license at any time. The department shall not issue to a person to whom a current Minnesota identification card has been issued a driver's license, other than a limited license, unless the person's Minnesota identification card has been invalidated. This subdivision does not require invalidation of a tribal identification card as a condition of receiving a driver's license."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete "expired" and insert "defining "valid license"; requiring driver of motor vehicle to have a valid license"

Amend the title numbers accordingly

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

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 1534: A bill for an act relating to railroads; enacting Railroad Walkways Safety Act; creating position of state rail safety inspector; establishing special account; authorizing imposition of administrative penalties after rulemaking; appropriating money; amending Minnesota Statutes 2006, section 218.041, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 219.

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 2006, section 218.041, subdivision 6, is amended to read:

Subd. 6. **Investigative powers.** In the exercise of powers granted in this chapter, the commissioner may:

(1) subpoena books, papers, or accounts kept by any regulated business within or without the state, or compel production of verified copies;

(2) prepare all forms or blanks for obtaining information that the commissioner may deem necessary or useful for the proper exercise of the authority and duties of the commissioner in connection with regulated businesses, and prescribe the time and manner within which the blanks and forms must be completed and filed;

(3) inspect, at all reasonable times, and copy the books, records, memoranda, correspondence, or other documents and records of any business under the commissioner's jurisdiction; ~~and~~

(4) examine, under oath, any officer, agent, or employee of a business under the commissioner's jurisdiction concerning any matter within the commissioner's jurisdiction; and

(5) assess common carriers, administer the state rail safety inspection account, and perform other duties on behalf of the state rail safety inspector under section 219.015.

Sec. 2. [219.015] STATE RAIL SAFETY INSPECTOR.

(a) The commissioner of transportation shall establish a position of state rail safety inspector in the Office of Freight and Commercial Vehicle Operations of the Minnesota Department of Transportation. The commissioner shall apply to the Federal Railroad Administration (FRA) of the United States Department of Transportation to participate in the Federal State Rail Safety Partnership Program for training and certification of an inspector under authority of United States Code, title 49, sections 20103, 20105, 20106, and 20113, and Code of Federal Regulations, title 49, part 212. The state rail safety inspector shall inspect mainline, secondary yard track and industry track; inspect railroad right-of-way, including adjacent or intersecting drainage, culverts, bridges, overhead structures, and traffic and other public crossings; inspect yards and physical plants; review and enforce safety requirements; review maintenance and repair records; and review railroad security measures. To the extent delegated by the commissioner, the inspector may issue citations for violations of this chapter, or to ensure railroad employee and public safety and welfare.

(b) The commissioner shall annually assess railroad companies that are (1) defined as common carriers under section 218.011, (2) classified by federal law or regulation as Class I Railroads or Class I Rail Carriers, and (3) operating in this state by a divisor of equal proportion between carriers in equal amounts for 365 days of the calendar year. The commissioner shall assess all start-up or reestablishment costs, and all related costs of initiating the state rail safety inspector program beginning July 1, 2007. The state rail inspector duties must begin and be assessed on January 1, 2008. The assessments must be deposited in a special account in the special revenue fund, to be known as the state rail safety inspection account. Money in the account is appropriated to the commissioner and may be expended to cover the costs incurred for the establishment and ongoing responsibilities of the state rail safety inspector.

(c) The commissioner may exempt a common carrier not federally classified as Class I from violations for a period of up to two years if the common carrier applies for participation in a work site safety coaching program, such as the "MNSharp" program administered by the Minnesota Department of Labor and Industry, and the commissioner determines such participation to be preferred enforcement for safety or security violations.

(d) Any person aggrieved by an assessment levied under this section may appeal within 90 days any assessment, violation, or administrative penalty to the Office of Administrative Hearings, with further appeal and review by the district court.

Sec. 3. [219.371] DEFINITIONS.

Subdivision 1. **Scope.** The terms used in sections 219.371 to 219.381 have the meanings given them in this section and section 218.011.

Subd. 2. **Inside edge of a walkway.** "Inside edge of a walkway" means that edge of a walkway closest to the nearest rail of the track for which the walkway is constructed.

Subd. 3. **Major repair.** "Major repair" means a repair that normally requires greater than four

hours of work to accomplish or involves the use of specialized tools and equipment. Major repairs include such activities as coupler replacement, draft gear repair, and repairs requiring the use of an air jack, but the term does not include changing wheels on intermodal loading ramps either with or without an air jack.

Subd. 4. **Railroad shop or repair track.** "Railroad shop" or "repair track" means a fixed repair facility or track that is regularly and consistently used to perform major repairs, regardless of whether a mobile repair vehicle is used to conduct the repairs.

Subd. 5. **Structure.** "Structure" means any bridge or trestle on which a railroad track is constructed.

Subd. 6. **Walkway.** "Walkway" means a pathway located alongside or in the vicinity of a railroad track for the purpose of providing an area for railroad employees to perform their normal trackside duties.

Subd. 7. **Yard.** "Yard" means a system of tracks other than main tracks and sidings used for making up trains, storing cars, and other purposes including the inspection, repair, and cleaning of cars.

Sec. 4. [219.372] WALKWAYS ON BRIDGES AND TRESTLES.

(a) Every railroad company shall construct and maintain, adjacent to at least one side of its tracks, walkways on all newly constructed or reconstructed bridges and trestles.

(b) Every railroad company shall construct and maintain, adjacent to at least one side of its tracks, walkways on all bridges and trestles designated by the commission after a hearing. Except as provided in paragraph (c), walkways must be located so that they will provide a minimum side clearance of eight feet from the center of the track to the outside edge of the walkway.

(c) Compliance with the eight-foot requirement referred to in paragraph (b) is waived with regard to all designated bridges and trestles that presently have minimum side clearances of less than eight feet if the railroad company is able to show to the satisfaction of the commissioner of transportation that compliance with the eight-foot requirement is structurally or economically unfeasible.

(d) All walkways must be kept free from obstacles that would render them unsafe or difficult to traverse on foot, except those facilities with minimum clearances prescribed by other sections of this chapter.

(e) Walkways must be equipped with a securely attached handrail located on the side of the walkway farthest from the track, except no handrails are required on through-girder structures. Handrails must be located so as to comply with the clearance standards in sections 219.45 to 219.53.

(f) Walkways on bridges and trestles must conform to the standards of width, surface, and vertical placement for walkways alongside track set forth in section 219.373, except that the inside edge of such a walkway may be placed closer than six feet from the nearest rail when necessary.

(g) This section does not apply to culverts.

Sec. 5. [219.373] WALKWAYS BY TRACK; GENERAL STANDARDS.

(a) Consistent with section 219.50, every railroad company shall provide a walkway alongside

track that has a regular surface that is smooth and safe for use by railroad employees and other persons who have duties in proximity to trains. The walkway must be kept reasonably free of hazards and obstructions, including, but not limited to, debris, litter, fuel, oil, sand, boulders, posts, tie materials, holes, ruts, potholes, grains, grain products or byproducts, fertilizer products, chemical, chemical molten, steel, tin, metallic products, solid raw minerals, palletized products, silica products, materials spilled during revenue shipment, detached pieces or parts of railroad rolling stock or track structure, and vegetation.

(b) Except as otherwise provided in paragraph (g) or otherwise exempted by other law, a walkway alongside track that is required under sections 219.373 to 219.381, must be constructed and maintained in conformity to the standards in sections 219.373 to 219.383.

(c) A walkway alongside track that is required pursuant to sections 219.373 to 219.381, must:

(1) provide a reasonably regular surface that is smooth and safe for use by railroad employees and other persons who have duties in proximity to trains;

(2) be surfaced with crushed material, asphaltic concrete, planking, or other material that does not compromise track drainage;

(3) unless the grade of the track is greater than one inch in eight inches, have a grade that is less than one inch in eight inches;

(4) if the walkway is alongside track with a curve greater than 18 degrees, be not less than one foot wider than otherwise required; and

(5) be kept reasonably free of hazards and obstructions in paragraph (a).

(d) Except as provided otherwise in this section or sections 219.374 to 219.379, walkways located along main-line tracks and tracks where switching is regularly performed more than twice in a seven-day period must be surfaced with crushed material not to exceed American Railway Engineering and Maintenance-of-Way Association (AREMA) standard number 4, 1-1/2 inches in size, or with asphalt, concrete, planking, grating, or similar material.

(e) Walkways located along switching lead tracks, switches in yards, car spotting areas, and railroad shop or repair tracks must be surfaced with crushed material not to exceed AREMA standard number 5, three-fourths to one inch in size, or with asphalt, concrete, planking, grating, or similar material.

(f) This section is temporarily suspended during periods of heavy rain or snow, derailments, rocks and earth slides, and similar abnormal periods and for a reasonable time thereafter to permit restoration work.

(g) Compliance with sections 219.372 to 219.379 is not a defense to any civil action brought for the violation of a railroad safety law, regulation, rule, or order.

(h) The commissioner, after investigation, upon the commissioner's own motion, or upon the petition of the aggrieved person, may determine that the safety of railroad employees requires implementation of the applicable standards set forth in paragraphs (b) to (f), for any walkway.

Sec. 6. [219.374] WALKWAYS BY MAIN-LINE TRACK.

Except as otherwise provided in section 219.375, 219.377, or 219.378, walkways alongside main-line track, in addition to the requirements of section 219.373, must:

(1) be present on each side of the track within two miles in either direction of a trackside train defect detector with a total walkway length of not less than 300 feet at each inspection location;

(2) be not less than two feet in width; and

(3) provide a minimum side clearance of 8-1/2 feet from the centerline of the track to the outside edge of the walkway.

Sec. 7. [219.375] WALKWAYS BY TRACK AT SIDING LOCATIONS.

Walkways alongside main-line and branch-line track at siding locations, in addition to the requirements of section 219.373, must:

(1) be present:

(i) on the outside of the main-line or branch-line track; and

(ii) on the outside of the siding track;

(2) be not less than two feet in width; and

(3) provide a minimum side clearance of 8-1/2 feet from the centerline of the track to the outside edge of the walkway.

Sec. 8. [219.3755] WALKWAYS BY TRACKS WHERE TRAIN CREWS SHIFT.

Walkways alongside main-line and siding tracks at nonterminal locations that are frequently used as train crew relief for boarding and deboarding crews, in addition to the requirements of section 219.373, must:

(1) be present:

(i) on the outside of the main-line or branch-line track; and

(ii) on the outside of the siding track;

(2) be not less than two feet in width;

(3) provide a minimum side clearance of 8-1/2 feet from the centerline of the track to the outside edge of the walkway;

(4) be surfaced according to AREMA standard number 5 or with three-fourths inch to one inch crushed material, asphalt, concrete, planking, or other material that does not compromise track drainage; and

(5) run continuous from a road, walkway, or other right-of-way to 100 feet past the designated stopping point for the train or locomotive.

Sec. 9. [219.376] WALKWAYS BY TRACK IN YARDS, INDUSTRY TURNOUTS, AND SPOTTING AREAS.

Walkways alongside track in all yards and in advance thereof, wherever an employee's assigned

duties regularly require the employee to be present on the ground in proximity to the track and, except as otherwise provided in section 219.377 or 219.378, in industry turnouts and spotting areas, in addition to the requirements of section 219.373, must:

- (1) be present on each side of the track not less than 50 feet in advance of the turnout;
- (2) be not less than two feet in width;
- (3) provide a minimum side clearance of 8-1/2 feet from the centerline of the track to the outside edge of the walkway; and
- (4) if the track is in a yard where substantial switching is performed, be:
 - (i) present between tracks;
 - (ii) present alongside tracks bordering the yard or switching area; and
 - (iii) if the tracks are 17 feet apart or less, continuous between the tracks.

Sec. 10. [219.377] WALKWAYS BY TRACK AT MAIN-LINE TURNOUTS ENTERING YARDS OR SERVING INDUSTRY TRACKS.

Except as otherwise provided in section 219.378 or 219.379, walkways alongside track at main-line turnouts entering yards or serving industry tracks, in addition to the requirements of section 219.373, must:

- (1) be present on the switch stand side of the track from not less than 50 feet ahead of each switch stand to not less than 25 feet beyond the 12-1/2 foot clearance point behind the switch stand;
- (2) if 20 feet or more from the switch stand, be not less than six feet in width;
- (3) if less than 20 feet, but more than four feet from the switch stand:
 - (i) be not less than six feet in width;
 - (ii) have a straight outer edge; and
 - (iii) occupy a total area of not less than 120 square feet; and
- (4) if less than four feet from the switch stand, be not less than three feet in width.

Sec. 11. [219.378] WALKWAYS BY MAIN-LINE TRACK AT TURNOUTS FOR SWITCHING CARS.

Walkways alongside main-line track at turnouts used frequently for switching cars, in addition to the requirements of sections 219.373 to 219.377, must:

- (1) be present on the switch stand side of the track from not less than 125 feet ahead of the switch stand to not less than 25 feet beyond the 12-1/2 foot clearance point behind the switch stand;
- (2) if 20 feet or more from the switch stand, be not less than six feet in width;
- (3) if less than 20 feet, but more than four feet from the switch stand:
 - (i) be not less than six feet in width;

- (ii) have a straight outer edge; and
- (iii) occupy a total area of not less than 120 square feet; and
- (4) if less than four feet from the switch stand, be not less than three feet in width.

Sec. 12. [219.379] WALKWAYS BY TRACK AT OTHER TURNOUTS.

Walkways alongside tracks at short-line and branch-line turnouts and, except as otherwise provided in section 219.378, at all power-operated turnouts, in addition to the requirements of section 219.373, must:

- (1) be present on the switch stand side of the track from not less than 50 feet ahead of the switch stand to not less than the 12-1/2 foot clearance point behind the switch stand;
- (2) if ten feet or more from the switch stand, be not less than five feet in width;
- (3) if less than ten feet, but more than four feet from the switch stand:
 - (i) be not less than five feet in width;
 - (ii) have a straight outer edge; and
 - (iii) occupy a total area of not less than 39 square feet; and
- (4) if four feet or less from the switch stand, be not less than three feet in width.

Sec. 13. [219.381] WALKWAY EXEMPTIONS.

Subdivision 1. **Existing track.** (a) Section 219.373, paragraphs (b) to (h), and sections 219.374 to 219.379 do not apply to track placed in revenue service before the effective date of this section until such a date and time as track and supporting structure is repaired, resurfaced, or replaced, or as ordered by the commissioner of transportation pursuant to paragraph (b).

(b) The commissioner of transportation shall issue an order requiring the construction or maintenance of a walkway alongside track described in paragraph (a) on determining, after notice and hearing, that the construction or maintenance of a walkway alongside the track is necessary to eliminate an unsafe or hazardous condition.

Subd. 2. **Small business.** (a) Except as otherwise provided in paragraph (b), a small business that owns or operates any track in this state is exempt from sections 219.373 to 219.381.

(b) On determining after notice and hearing that exempting a small business that owns or operates any track in this state pursuant to paragraph (a) poses an unreasonable threat of substantial harm to the public safety, the commissioner of transportation shall order that business to eliminate any unsafe walkway condition.

- (c) As used in this section, "small business" has the meaning given it in section 645.445.

Sec. 14. LIABILITY.

Nothing in this chapter precludes or preempts civil liability to an injured party under state or federal laws for failure to provide a reasonably safe walkway.

Sec. 15. **SHORT TITLE.**

Sections 2 to 14 may be cited as the "Railroad Walkways Safety Act."

Sec. 16. **EFFECTIVE DATE.**

This act is effective July 1, 2007."

Delete the title and insert:

"A bill for an act relating to railroads; enacting Railroad Walkways Safety Act; creating position of state rail safety inspector; establishing special account; amending Minnesota Statutes 2006, section 218.041, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 219."

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

Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred

S.F. No. 1769: A bill for an act relating to employment; providing remedies and enforcement for the prevailing wage law; amending Minnesota Statutes 2006, section 177.27, subdivisions 1, 4, 8, 9, 10.

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

Page 1, lines 14 and 19, delete "177.44" and insert "177.435"

Page 2, delete sections 3 to 5 and insert:

"Sec. 3. **[177.45] PRIVATE PARTY CIVIL ACTIONS.**

Subdivision 1. **Civil action; damages.** A person aggrieved by a violation of section 177.43, 177.435, or 177.44 may bring a civil action seeking redress directly to district court. A contractor, subcontractor, or agent who is found to have violated any of those sections is liable to the aggrieved party for compensatory damages in the amount of any unpaid wages and benefits and for an additional equal amount as liquidated damages, in addition to other appropriate relief, including, but not limited to, injunctive relief. An action under this section may be maintained against any contractor, subcontractor, or agent by any one or more employees for and in behalf of the employee and other employees similarly situated. An agreement between the employee and employer to work for less than the applicable wage is not a defense to the action.

Subd. 2. **District court jurisdiction.** An action brought under subdivision 1 may be filed in the district court of the county where a violation is alleged to have been committed, where the contractor, subcontractor, or agent resides or has a principal place of business, or any other court of competent jurisdiction.

Subd. 3. **Attorney fees and costs.** In an action brought under subdivision 1, the court shall order a contractor, subcontractor, or agent who is found to have committed a violation to pay to the aggrieved party reasonable costs, disbursements, witness fees, and attorney fees."

Amend the title numbers accordingly

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

Amendments adopted. Report adopted.

Senator Bakk from the Committee on Taxes, to which was referred

S.F. No. 1937: A bill for an act relating to taxation; payment in lieu of taxes; allowing a town that incorporates into a city to continue receiving certain payments; amending Minnesota Statutes 2006, section 97A.061, subdivision 2.

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

Page 1, line 20, after "incorporated" insert " ", provided that the payments will terminate if the governing body of the city passes an ordinance that prohibits hunting within the boundaries of the city"

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

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

S.F. No. 1173: A bill for an act relating to economic development; authorizing the purchase of forest land by the IRRRB using the Douglas J. Johnson economic trust fund; establishing the Iron Range Miners' Memorial Forest; allowing transfer of money; amending Minnesota Statutes 2006, sections 298.22, by adding a subdivision; 298.292, subdivision 2.

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

Page 1, line 17, delete "up to \$..... of the amount" and insert "money"

Page 3, line 2, delete "from the Potlach"

Page 3, line 3, delete "Corporation"

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

SECOND READING OF SENATE BILLS

S.F. No. 966 was read the second time.

MOTIONS AND RESOLUTIONS

Senator Stumpf introduced –

Senate Resolution No. 63: A Senate resolution congratulating the Roseau High School boys' hockey team on winning the state championship.

Referred to the Committee on Rules and Administration.

Senator Senjem moved that S.F. No. 289, No. 75 on General Orders, be stricken and re-referred

to the Committee on State and Local Government Operations and Oversight. The motion prevailed.

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 Olson, M.; Koering; Sieben and Lourey introduced—

S.F. No. 2147: A bill for an act relating to workers' compensation; providing penalties for gaining improper access to medical records; amending Minnesota Statutes 2006, section 176.178, by adding subdivisions.

Referred to the Committee on Business, Industry and Jobs.

Senator Stumpf introduced—

S.F. No. 2148: A bill for an act relating to capital investment; appropriating money for an indoor ice arena in the city of Badger; authorizing the issuance of general obligation bonds.

Referred to the Committee on Finance.

Senator Stumpf introduced—

S.F. No. 2149: A bill for an act relating to education; extending time for capital facilities bond repayment; amending Minnesota Statutes 2006, section 123B.62.

Referred to the Committee on Finance.

Senator Stumpf introduced—

S.F. No. 2150: A bill for an act relating to game and fish; providing for certain licenses to be issued without a fee; amending Minnesota Statutes 2006, section 97A.441, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Senator Vandever introduced—

S.F. No. 2151: A bill for an act relating to human services; modifying adult foster care and family adult day services license requirements; amending Minnesota Statutes 2006, sections 245A.11, subdivision 2b; 245A.143, subdivision 1.

Referred to the Committee on Health, Housing and Family Security.

Senators Olson, M.; Clark; Langseth and Larson introduced—

S.F. No. 2152: A bill for an act relating to retirement; amending Minnesota State Colleges

and Universities annuity provisions; allowing participation in a Roth account option; amending Minnesota Statutes 2006, section 136F.45, subdivision 1.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Olson, M.; Clark and Larson introduced—

S.F. No. 2153: A bill for an act relating to retirement; creating unclaimed account procedures for the Minnesota State Colleges and Universities system individual retirement account plan and supplemental plan; amending Minnesota Statutes 2006, sections 354B.20, by adding a subdivision; 354B.25, subdivision 5, by adding a subdivision; 354C.12, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 354C.

Referred to the Committee on State and Local Government Operations and Oversight.

Senators Olson, M.; Clark; Langseth and Larson introduced—

S.F. No. 2154: A bill for an act relating to retirement; allowing certain members to elect Teachers Retirement Association membership and purchase service credit; amending Minnesota Statutes 2006, section 354B.21, subdivision 2.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Robling introduced—

S.F. No. 2155: A bill for an act relating to agriculture; appropriating money for a grant to a centrally located biomass fuel supply depot.

Referred to the Committee on Finance.

Senator Senjem introduced—

S.F. No. 2156: A bill for an act relating to transportation; authorizing sale of state bonds; appropriating money for high-speed rail line between St. Paul and Rochester.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pogemiller moved that H.F. No. 946 be taken from the table. The motion prevailed.

H.F. No. 946: A bill for an act relating to transportation finance; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for fund transfers, general contingent accounts, tort claims, and state land sales; authorizing sale and issuance of trunk highway bonds for highways and transit facilities; modifying motor fuels and registration taxes; allocating motor vehicle sales tax revenue; modifying county state-aid allocation formula; modifying county wheelage tax; authorizing local transportation sales and use taxes; modifying provisions relating to various transportation-related funds and accounts; modifying fees for license plates, drivers' licenses, identification cards, and state patrol escort and flight services;

prohibiting future toll facilities; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 16A.88; 161.04, subdivision 3, by adding a subdivision; 162.06; 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011, subdivision 6; 168.013, subdivisions 1, 1a; 168.017, subdivision 3; 168.12, subdivision 5; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 296A.07, subdivision 3; 296A.08, subdivision 2; 297A.94; 297B.09, subdivision 1; 299D.09; 473.388, subdivision 4; 473.446, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 160; 297A; repealing Minnesota Statutes 2006, section 174.32.

SUSPENSION OF RULES

Senator Pogemiller 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. 946 and that the rules of the Senate be so far suspended as to give H.F. No. 946 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 946 was read the second time.

Senator Murphy moved to amend H.F. No. 946 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 946, and insert the language after the enacting clause, and the title, of S.F. No. 1986, the third engrossment.

The motion prevailed. So the amendment was adopted.

H.F. 946 was read the third time, as amended, and placed on its final passage.

CALL OF THE SENATE

Senator Pogemiller imposed a call of the Senate for the balance of the proceedings on H.F. No. 946. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 39 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Lynch	Prettner Solon	Skogen
Berglin	Doll	Marty	Rummel	Sparks
Betzold	Erickson Ropes	Metzen	Saltzman	Stumpf
Bonoff	Kubly	Moua	Saxhaug	Tomassoni
Carlson	Langseth	Murphy	Scheid	Torres Ray
Chaudhary	Larson	Olseen	Sheran	Vickerman
Clark	Latz	Pappas	Sieben	Wiger
Cohen	Lourey	Pogemiller	Skoe	

Those who voted in the negative were:

Bakk	Gerlach	Jungbauer	Olson, G.	Rosen
Day	Gimse	Koch	Olson, M.	Senjem
Dille	Hann	Koering	Ortman	Vanderveer
Fischbach	Ingebrigtsen	Limmer	Pariseau	Wergin
Frederickson	Johnson	Michel	Robling	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H.F. No. 736: A bill for an act relating to emergency medical services; changing the name of an award and incentive program.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Larson	Ortman	Sieben
Bakk	Fischbach	Latz	Pappas	Skoe
Berglin	Frederickson	Limmer	Pariseau	Skogen
Betzold	Gerlach	Lourey	Pogemiller	Sparks
Bonoff	Gimse	Lynch	Prettner Solon	Stumpf
Carlson	Hann	Marty	Robling	Tomassoni
Chaudhary	Ingebrigtsen	Metzen	Rosen	Torres Ray
Clark	Johnson	Michel	Rummel	Vandever
Cohen	Jungbauer	Moua	Saltzman	Vickerman
Day	Koch	Murphy	Saxhaug	Wergin
Dibble	Koering	Olseen	Scheid	Wiger
Dille	Kubly	Olson, G.	Senjem	
Doll	Langseth	Olson, M.	Sheran	

So the bill passed and its title was agreed to.

S.F. No. 167: A bill for an act relating to unemployment insurance; making various policy, housekeeping, and style changes to the Minnesota Unemployment Insurance Law; incorporating certain administrative rules into Minnesota Statutes; modifying fraud penalties; extending certain unemployment benefits; amending Minnesota Statutes 2006, sections 268.001; 268.03, subdivisions 1, 2; 268.035, subdivisions 1, 4, 9, 10, 11, 12, 13, 14, 15, 17, 20, 21a, 23, 23a, 24, 26, 29, 30, by adding a subdivision; 268.042, subdivisions 1, 3, 4; 268.043; 268.0435; 268.044, subdivisions 1, 1a, 2, 3, 4; 268.045, subdivision 1; 268.046; 268.047, subdivisions 1, 2, 3, 5; 268.051, subdivisions 1, 1a, 2, 3, 4, 4a, 5, 6, 7, 8, 9; 268.052, subdivisions 1, 2, 3, 4, 5; 268.0525; 268.053, subdivisions 1, 2, 3; 268.057, subdivisions 1, 2, 3, 4, 5, 6, 7, 10; 268.058; 268.059; 268.0625, subdivisions 4, 5; 268.063; 268.064; 268.065, subdivisions 1, 3; 268.066; 268.067; 268.0675; 268.068; 268.069, subdivisions 1, 2, 3; 268.07, subdivisions 1, 2, 3a, 3b; 268.084; 268.085, subdivisions 1, 2, 3, 3a, 4, 5, 6, 7, 8, 9, 11, 12, 13, 13a, 13b, 13c, 16; 268.086, subdivisions 1, 2, 3, 5, 6, 7, 8, 9; 268.087; 268.095, subdivisions 1, 2, 3, 4, 5, 6, 6a, 7, 10, 11; 268.101; 268.103, subdivisions 1, 2; 268.105, subdivisions 1, 2, 3, 3a, 4, 5, 6, 7; 268.115; 268.125, subdivisions 3, 4, 5; 268.131, subdivision 1; 268.135; 268.145, subdivisions 1, 2, 3; 268.155; 268.18, subdivisions 1, 2, 2b, 4, 5, 6; 268.182, subdivisions 1, 2; 268.184, subdivisions 1, 1a; 268.186; 268.188; 268.19, subdivisions 1, 1a, 2; 268.192; 268.194, subdivisions 1, 2, 3, 4, 5, 6; 268.196, subdivisions 1, 3; 268.20; 268.21; 268.22;

268.23; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 2006, sections 268.0435; 268.0511; 268.085, subdivision 10; 268.103, subdivision 4; Minnesota Rules, parts 3315.0210; 3315.0220; 3315.0515; 3315.0520; 3315.0525; 3315.0530, subparts 2, 3, 4, 5, 6; 3315.0540; 3315.0550; 3315.0910, subparts 1, 2, 3, 4, 5, 6, 7, 8; 3315.1005, subparts 1, 3; 3315.1315, subpart 4; 3315.2010; 3315.2810, subparts 2, 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Latz	Pappas	Skoe
Bakk	Doll	Lourey	Pariseau	Skogen
Berglin	Erickson Ropes	Lynch	Pogemiller	Sparks
Betzold	Fischbach	Marty	Prettner Solon	Stumpf
Bonoff	Frederickson	Metzen	Rummel	Tomassoni
Carlson	Gimse	Moua	Saltzman	Torres Ray
Chaudhary	Koering	Murphy	Saxhaug	Vickerman
Clark	Kubly	Olseen	Scheid	Wiger
Cohen	Langseth	Olson, G.	Sheran	
Day	Larson	Olson, M.	Sieben	

Those who voted in the negative were:

Dille	Ingebrigtsen	Koch	Ortman	Senjem
Gerlach	Johnson	Limmer	Robling	Vandever
Hann	Jungbauer	Michel	Rosen	Wergin

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

H.F. No. 1441: A bill for an act relating to trust companies; limited purpose companies; making nonsubstantive term changes; amending Minnesota Statutes 2006, section 48A.03, subdivision 5.

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	Chaudhary	Doll	Hann	Langseth
Bakk	Clark	Erickson Ropes	Johnson	Larson
Berglin	Cohen	Fischbach	Jungbauer	Latz
Betzold	Day	Frederickson	Koch	Limmer
Bonoff	Dibble	Gerlach	Koering	Lourey
Carlson	Dille	Gimse	Kubly	Lynch

Marty	Olson, M.	Robling	Sheran	Torres Ray
Metzen	Ortman	Rosen	Sieben	Vandever
Michel	Pappas	Rummel	Skoe	Vickerman
Moua	Pariseau	Saltzman	Skogen	Wiger
Murphy	Pogemiller	Saxhaug	Sparks	
Olseen	Prettner Solon	Scheid	Stumpf	
Olson, G.	Rest	Senjem	Tomassoni	

So the bill passed and its title was agreed to.

S.F. No. 156: A bill for an act relating to highways; designating I-94 as Purple Heart Trail; amending Minnesota Statutes 2006, section 161.14, by adding a subdivision.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Larson	Ortman	Sheran
Bakk	Fischbach	Latz	Pappas	Sieben
Berglin	Frederickson	Limmer	Pariseau	Skoe
Betzold	Gerlach	Lourey	Pogemiller	Skogen
Bonoff	Gimse	Lynch	Prettner Solon	Sparks
Carlson	Hann	Marty	Rest	Stumpf
Chaudhary	Ingebrigtsen	Metzen	Robling	Tomassoni
Clark	Johnson	Michel	Rosen	Vandever
Cohen	Jungbauer	Moua	Rummel	Vickerman
Day	Koch	Murphy	Saltzman	Wergin
Dibble	Koering	Olseen	Saxhaug	Wiger
Dille	Kubly	Olson, G.	Scheid	
Doll	Langseth	Olson, M.	Senjem	

So the bill passed and its title was agreed to.

S.F. No. 1181: A bill for an act relating to drivers' licenses; modifying required information on driver's license; amending Minnesota Statutes 2006, section 171.07, 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 2, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Larson	Pappas	Sieben
Bakk	Fischbach	Latz	Pariseau	Skoe
Berglin	Frederickson	Lourey	Pogemiller	Skogen
Betzold	Gerlach	Lynch	Prettner Solon	Sparks
Bonoff	Gimse	Marty	Rest	Stumpf
Carlson	Hann	Metzen	Robling	Tomassoni
Chaudhary	Ingebrigtsen	Michel	Rosen	Torres Ray
Clark	Johnson	Moua	Rummel	Vickerman
Cohen	Jungbauer	Murphy	Saltzman	Wergin
Day	Koch	Olseen	Saxhaug	Wiger
Dibble	Koering	Olson, G.	Scheid	
Dille	Kubly	Olson, M.	Senjem	
Doll	Langseth	Ortman	Sheran	

Those who voted in the negative were:

Limmer

Vandever

So the bill passed and its title was agreed to.

S.F. No. 1525: A bill for an act relating to public safety; increasing fines relating to pipeline violations; amending Minnesota Statutes 2006, sections 299F.60, subdivision 1; 299J.16, 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 60 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Latz	Ortman	Sheran
Bakk	Fischbach	Limmer	Pariseau	Sieben
Berglin	Frederickson	Lourey	Pogemiller	Skoe
Betzold	Gerlach	Lynch	Prettner Solon	Skogen
Bonoff	Gimse	Marty	Rest	Sparks
Carlson	Hann	Metzen	Robling	Stumpf
Chaudhary	Ingebrigtsen	Michel	Rosen	Tomassoni
Clark	Johnson	Moua	Rummel	Torres Ray
Cohen	Koch	Murphy	Saltzman	Vandever
Day	Kubly	Olseen	Saxhaug	Vickerman
Dibble	Langseth	Olson, G.	Scheid	Wergin
Doll	Larson	Olson, M.	Senjem	Wiger

Those who voted in the negative were:

Dille

Jungbauer

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDERS

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

S.F. Nos. 846 and 2095.

SPECIAL ORDER

S.F. No. 846: A bill for an act relating to state government; providing deficiency funding for certain state agencies; appropriating money.

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 61 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Larson	Pariseau	Skoe
Bakk	Fischbach	Latz	Pogemiller	Skogen
Berglin	Frederickson	Lourey	Prettner Solon	Sparks
Betzold	Gerlach	Lynch	Rest	Stumpf
Bonoff	Gimse	Marty	Robling	Tomassoni
Carlson	Hann	Metzen	Rosen	Torres Ray
Chaudhary	Ingebrigtsen	Michel	Rummel	Vickerman
Clark	Johnson	Moua	Saltzman	Wergin
Cohen	Jungbauer	Olseen	Saxhaug	Wiger
Day	Koch	Olson, G.	Scheid	
Dibble	Koering	Olson, M.	Senjem	
Dille	Kubly	Ortman	Sheran	
Doll	Langseth	Pappas	Sieben	

Those who voted in the negative were:

Limmer Vandever

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2095: A bill for an act relating to education; providing for early childhood and family, kindergarten through grade 12, and adult education including general education, education excellence, special programs, facilities and technology, nutrition and accounting, libraries, early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, forecast adjustments, and technical and conforming amendments; providing for reports; providing for rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 16A.152, subdivision 2; 119A.52; 120A.22, subdivision 7; 120B.024; 120B.12, subdivision 2; 120B.132; 121A.17, subdivision 5; 121A.19; 122A.16; 122A.415, by adding subdivisions; 122A.61, by adding a subdivision; 122A.628, subdivision 2; 123A.44; 123A.441; 123A.442; 123A.443; 123A.73, subdivision 8; 123B.02, by adding a subdivision; 123B.143, subdivision 1; 123B.53, subdivision 1; 123B.54; 123B.57, subdivision 3; 123B.63, subdivision 3; 123B.71, subdivision 9; 123B.79, subdivision 6, by adding a subdivision; 123B.81, subdivisions 2, 4, 7; 123B.83, subdivision 2; 123B.92, subdivisions 1, 3; 124D.095, subdivision 3; 124D.10, subdivisions 3, 4, 23a, 24; 124D.11, subdivision 1; 124D.111, subdivision 1; 124D.128, subdivisions 1, 2, 3; 124D.13, subdivision 2, by adding a subdivision; 124D.135, subdivisions 1, 3, 5, 6; 124D.15, subdivision 3; 124D.34, subdivision 7; 124D.42, by adding a subdivision; 124D.4531, subdivisions 1, 3; 124D.454, subdivisions 2, 3; 124D.531, subdivision 4; 124D.55; 124D.65, subdivisions 6, 11; 124D.84, subdivision 1; 125A.11, subdivision 1; 125A.14; 125A.39; 125A.42; 125A.44; 125A.45; 125A.56; 125A.75, subdivisions 1, 4, by adding a subdivision; 125A.76, subdivisions 1, 2, 4, 5; 125A.79, subdivisions 1, 5, 6, 8; 125B.15; 126C.01, subdivision 9; 126C.05, subdivision 1; 126C.10, subdivisions 1, 2, 13a, 13b, 18, 24, 26, 27, 29, 30, 31, 32, 33, 34, 35, 36, by adding a subdivision; 126C.13, subdivision 4, by adding subdivisions; 126C.21, subdivisions 3, 5; 126C.41, subdivision 2; 126C.44; 126C.45; 126C.48, subdivision 7; 127A.441; 127A.47, subdivisions 7, 8; 127A.49, subdivisions 2, 3; 128D.11, subdivision 3; 134.31, by adding a subdivision; 134.355, subdivision 9; 272.02, subdivision 64; 272.029, by adding a subdivision; 275.065, subdivision 1; 517.08, subdivision 1c; Laws 2005, First Special Session chapter 5, article 1, section 54, subdivisions 2, as amended, 4, 5, as amended, 6, as amended, 7, as amended, 8, as amended; article 2, sections 81, as amended; 84, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as

amended, 10, as amended; article 3, section 18, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 6, as amended; article 4, section 25, subdivisions 2, as amended, 3, as amended; article 5, section 17, subdivision 3, as amended; article 7, section 20, subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 8, subdivisions 2, as amended, 5, as amended; article 9, section 4, subdivision 2; Laws 2006, chapter 263, article 3, section 15; Laws 2006, chapter 282, article 2, section 28, subdivision 4; article 3, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 124D; 127A; repealing Minnesota Statutes 2006, sections 123A.22, subdivision 11; 123B.749; 123B.81, subdivision 8; 124D.06; 124D.454, subdivisions 4, 5, 6, 7; 124D.531, subdivision 5; 124D.62; 125A.10; 125A.75, subdivision 6; 125A.76, subdivision 3; 126C.10, subdivisions 13a, 13b, 25, 28, 29, 30, 32, 33, 34, 35, 36.

Senator Stumpf moved to amend S.F. No. 2095 as follows:

Page 13, delete section 29

Page 15, line 15, reinstate the stricken language

Page 15, line 16, delete "section"

Page 16, delete lines 3 to 6 and insert:

"(E) section 126C.13, if the district received general education aid according to subdivision 4, paragraph (b), clause (i), of that section in the second preceding year;"

Page 17, delete lines 11 to 14 and insert:

"(E) section 126C.13, if the district received general education aid according to subdivision 4, paragraph (b), clause (i), of that section in the second preceding year;"

Page 20, after line 23, insert:

"Sec. 43. **RETIRED EMPLOYEE HEALTH BENEFITS.**

Notwithstanding Minnesota Statutes, section 126C.41, subdivision 2, Independent School District No. 316, Greenway, and Independent School District No. 93, Carlton, may levy an amount up to the amount the district is required by the collective bargaining agreement in effect on March 30, 1992, to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable, before July 1, 1998, if a sunset clause is in effect for the current collective bargaining agreement. The total amount of the levy each year may not exceed \$600,000.

EFFECTIVE DATE. This section is effective for taxes payable in 2008 through 2013."

Page 45, line 4, delete "241,000" and insert "1,896,000"

Page 45, after line 4, insert:

"\$ 2,161,000 2009"

Page 45, line 5, delete "\$0" and insert "\$1,655,000"

Page 45, after line 5, insert:

"The 2009 appropriation includes \$183,000 for fiscal year 2008 and \$1,978,000 for fiscal year 2009.

The base appropriation for fiscal year 2010 is \$219,000 and for fiscal year 2011 and later is \$0."

Page 102, line 28, delete "11,287,000" and insert "11,517,000"

Page 102, line 29, delete "11,619,000" and insert "11,849,000"

Page 103, line 3, delete "6,792,000" and insert "6,942,000"

Page 111, line 4, delete "6,967,000" and insert "7,117,000"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Stumpf moved to amend the first Stumpf amendment to S.F. No. 2095 as follows:

Page 2, line 2, delete "111" and insert "103"

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

The question recurred on the adoption of the first Stumpf amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Senator Lynch moved to amend S.F. No. 2095 as follows:

Page 43, after line 16, insert:

"Sec. 26. Minnesota Statutes 2006, section 127A.095, subdivision 2, is amended to read:

Subd. 2. **No Child Left Behind review.** (a) The legislature intends to require the Department of Education to conduct a comprehensive review of the consolidated state plan the state submitted to the federal Department of Education to implement the No Child Left Behind Act. The Minnesota Department of Education shall seek waivers under paragraph (b). If the Department of Education is unable to obtain waivers under paragraph (b), it should recommend in its report under paragraph (b) whether the state should opt out of the No Child Left Behind Act.

(b) The commissioner, by January 15, ~~2007~~ 2008, shall report to the house of representatives and senate committees having jurisdiction over kindergarten through grade 12 education policy and finance whether the department has received approval from the federal Department of Education to:

~~(1) allow the state to develop a plan for determining adequate yearly progress that uses multiple measures of student achievement that include value-added measurement of student achievement in addition to standardized test results to evaluate school and student performance~~ participate in the growth model pilot program;

~~(2) exclude from sanctions a school that is classified as not having made adequate yearly progress due solely to different subgroups testing below proficient levels for at least two consecutive years;~~

~~(3) allow the state to average three years of data for the purposes of identifying a school for improvement;~~

~~(4) allow the state to use No Child Left Behind Act money to provide supplemental education services only in the academic subject area that causes a school to miss adequate yearly progress;~~

~~(5) exclude from sanctions schools that have not made adequate yearly progress due solely to a subgroup of students with disabilities not testing at a proficient level;~~

~~(6) (3) identify a school as not making adequate yearly progress only after the school has missed the adequate yearly progress targets in the same subject and subgroup for two consecutive years;~~

~~(7) limit the score of a student within multiple subgroups to the smallest subgroup in which that student is included when calculating adequate yearly progress;~~

~~(8) (4) determine when to hold schools accountable for including a student with limited English proficiency in adequate yearly progress calculations; and~~

~~(9) use a fully computer adaptive test for purposes of compliance with the No Child Left Behind Act~~

(5) allow a district not making adequate yearly progress to offer supplemental educational services as an option before offering school choice;

(6) allow a district not making adequate yearly progress to also be the supplemental educational services provider;

(7) allow the state to maintain a subgroup size to 40 for the purposes of calculating adequate yearly progress for subgroups of students with limited English proficiency and subgroups of students with disabilities; and

(8) create flexibility to enable the state to define and identify highly qualified teachers."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Erickson Ropes moved to amend S.F. No. 2095 as follows:

Page 44, after line 24, insert:

"Sec. 29. **CHARTER SCHOOL STUDY.**

The legislature requests that the legislative auditor evaluate charter schools. The auditor must evaluate whether charter schools are:

(1) fulfilling the purpose of the legislation outlined in Minnesota Statutes, section 124D.10, subdivision 1, which is to:

(i) improve pupil learnings;

(ii) increase learning opportunities for pupils;

(iii) encourage the use of different and innovative teaching methods;

(iv) require the measurement of learning outcomes and create different and innovative forms of

measuring outcomes;

(v) establish new forms of accountability for schools; or

(vi) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site;

(2) improving student achievement;

(3) fiscally responsible; and

(4) successful.

The legislative auditor must report its findings to the legislative committees having jurisdiction over kindergarten through grade 12 education by January 15, 2008."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senator Hann moved to amend S.F. No. 2095 as follows:

Page 34, delete section 14

Page 44, line 31, delete "34,944,000" and insert "36,193,000"

Page 45, line 1, delete "\$31,715,000" and insert "\$32,964,000"

Page 45, line 4, delete "241,000" and insert "1,896,000"

Page 45, after line 4, insert:

"\$ 2,161,000 2009"

Page 45, line 5, delete "\$0" and insert "\$1,655,000"

Page 45, after line 5, insert:

"The 2009 appropriation includes \$183,000 for 2008 and \$1,978,900 for 2009."

Page 69, line 21, delete "736,403,000" and insert "730,885,000"

Page 69, line 23, delete "\$665,690,000" and insert "\$660,172,000"

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. 2095.

The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Hann amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

Cohen	Gerlach	Koch	Olson, G.	Scheid
Day	Gimse	Koering	Ortman	Senjem
Dille	Hann	Limmer	Pariseau	Torres Ray
Erickson Ropes	Ingebrigtsen	Metzen	Rest	Vandevveer
Fischbach	Johnson	Michel	Robling	Wergin
Frederickson	Jungbauer	Neuville	Rosen	

Those who voted in the negative were:

Anderson	Clark	Lourey	Pogemiller	Skoe
Bakk	Dibble	Lynch	Prettner Solon	Skogen
Berglin	Doll	Marty	Rummel	Sparks
Betzold	Kubly	Moua	Saltzman	Stumpf
Bonoff	Langseth	Olseen	Saxhaug	Tomassoni
Carlson	Larson	Olson, M.	Sheran	Vickerman
Chaudhary	Latz	Pappas	Sieben	Wiger

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

Senator Wergin moved to amend S.F. No. 2095 as follows:

Page 83, after line 8, insert:

"Sec. 16. **LEASE LEVY USE.**

(a) Notwithstanding Minnesota Statutes, section 126C.40, subdivision 6, if approved by the commissioner of education, Independent School District No. 728, Elk River, may use its lease authority under Minnesota Statutes, section 126C.40, subdivision 1, to construct additions to existing buildings used primarily for kindergarten, elementary, or secondary instruction.

(b) Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, paragraph (e), Independent School District No. 728, Elk River, may levy up to \$136 times the resident pupil units for the fiscal year to which the levy is attributable.

EFFECTIVE DATE. This section is effective for taxes payable in 2008."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senator Koering moved to amend S.F. No. 2095 as follows:

Page 77, after line 6, insert:

"Sec. 6. Minnesota Statutes 2006, section 123B.53, subdivision 4, is amended to read:

Subd. 4. **Debt service equalization revenue.** (a) The debt service equalization revenue of a district equals the sum of the first tier debt service equalization revenue and the second tier debt

service equalization revenue.

(b) The first tier debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue minus the amount raised by a levy of ~~15~~ 12 percent times the adjusted net tax capacity of the district minus the second tier debt service equalization revenue of the district.

(c) The second tier debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue, excluding alternative facilities levies under section 123B.59, subdivision 5, minus the amount raised by a levy of ~~25~~ 22 percent times the adjusted net tax capacity of the district.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2009.

Sec. 7. Minnesota Statutes 2006, section 123B.53, subdivision 5, is amended to read:

Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a district equals the sum of the first tier equalized debt service levy and the second tier equalized debt service levy.

(b) A district's first tier equalized debt service levy equals the district's first tier debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) ~~\$3,200~~ \$5,500 times the equalizing factor adjustment under section 126C.01, subdivision 12.

(c) A district's second tier equalized debt service levy equals the district's second tier debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) \$8,000 times the equalizing factor adjustment under section 126C.01, subdivision 12.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2009."

Page 80, after line 12, insert:

"Sec. 12. Minnesota Statutes 2006, section 126C.01, is amended by adding a subdivision to read:

Subd. 12. **Net tax capacity equalizing factor adjustment.** The net tax capacity equalizing factor adjustment equals the greater of one or the ratio of the statewide net tax capacity for the most recent assessment year divided by the statewide adjusted marginal cost pupil units for the third subsequent year to the statewide net tax capacity for assessment year 2005 divided by the statewide adjusted marginal cost pupil units for fiscal year 2008.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2009."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senator Fischbach moved to amend S.F. No. 2095 as follows:

Page 88, after line 32, insert:

"Subd. 9. **Holdingford.** Notwithstanding Minnesota Statutes, sections 123B.79, 123B.80, and 475.61, subdivision 4, Independent School District No. 738, Holdingford, may make a permanent transfer of \$150,000 of its certified excess debt redemption fund balance to its undesignated general fund balance without making a levy reduction."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Wergin moved to amend S.F. No. 2095 as follows:

Page 80, delete section 11

Page 82, delete section 14

Page 83, delete section 15

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senator Hann moved to amend S.F. No. 2095 as follows:

Page 85, after line 25, insert:

"Section 1. Minnesota Statutes 2006, section 123B.749, is amended to read:

123B.749 STRUCTURALLY BALANCED SCHOOL DISTRICT BUDGETS.

(a) Prior to approving a collective bargaining agreement that does not result from an interest arbitration decision, a school board must determine by board resolution that the proposed agreement will not cause structural imbalance in the district's budget during the period of the agreement.

(b) A school board may ~~only~~ determine that an agreement will not cause structural imbalance only if expenditures will not exceed available funds, taking into account:

(1) current state aid formulas; and

(2) reasonable and comprehensive projections of ongoing revenues and expenditures for the period of the agreement. ~~It is expected that~~ The board must not use onetime revenue may not be used for ongoing expenditures. The board may use onetime revenues for onetime expenditures. Any amount in excess of the board's resolution for the district's general fund balance is not onetime revenue under this section. The school board must make available with the resolution a summary of the projections and calculations supporting the determination. The projections and calculations must include state aid formulas, pupil units, and employee costs, including that reflect the terms of all applicable labor agreements, including the agreement under consideration, its fringe benefits,

severance pay, and staff changes.

(c) In addition to the determination ~~required in~~ under paragraph (a), the school board must project revenues, expenditures, and fund balances for ~~one year~~ two years following the period of the agreement. The projections must include the ~~information categories of information described in~~ under paragraph (b), be reasonable and comprehensive, and reference current state aid formulas.

(d) The board must make available all projections and calculations required by this section ~~must be made available and estimated district employee terminations to the public prior to and before, at, and after the meeting where the board adopts the resolution is adopted in a manner,~~ consistent with state law on public notice and access to public data.

(e) In an interest arbitration, the district must submit, and the exclusive bargaining representative may submit, proposed determinations with supporting projections and calculations consistent with paragraph (b) of the effect of the potential decision on the structural balance of the district's budget. The arbitrator must consider the potential effect of a decision on the structural balance of the district's budget for the term of the agreement. The arbitrator's decision must describe the effect of the decision on the structural balance of the district's budget in a manner consistent with paragraph (b). The arbitrator's decision also must ~~also~~ show the effect of the decision on the school budget for one year following the term of the contract at issue. Within 30 days of receipt of the decision or when the board receives or acts on the decision, whichever is earlier, the school board must by resolution determine the effect of the decision on the structural balance of its budget for the term of the agreement consistent with paragraph (b).

(f) The board must submit a copy of the resolution with the supporting projections and calculations ~~must be submitted to the commissioner of education with the uniform collective bargaining agreement settlement document within 30 days of adoption of~~ adopting the resolution. The commissioner must develop a model form for ~~use by~~ use by districts to ~~use in~~ reporting projections and calculations. The commissioner must not accept any reports that do not comply with this section. The commissioner must make all resolutions, projections, and calculations available to the public.

(g) Compliance with this section by itself is not an unfair labor practice under section 179A.13, subdivision 2.

EFFECTIVE DATE. This section is effective for the 2007-2008 school year and later."

Page 89, delete section 7

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Bonoff	Fischbach	Hann	Koch	Olson, G.
Clark	Frederickson	Ingebrigtsen	Limmer	Pariseau
Day	Gerlach	Johnson	Michel	Robling
Dille	Gimse	Jungbauer	Neuville	Rosen

Senjem

Vandever

Wergin

Those who voted in the negative were:

Anderson	Doll	Lynch	Prettner Solon	Skoe
Bakk	Erickson Ropes	Marty	Rest	Skogen
Berglin	Koering	Metzen	Rummel	Sparks
Betzold	Kubly	Moua	Saltzman	Stumpf
Carlson	Langseth	Olseen	Saxhaug	Tomassoni
Chaudhary	Larson	Olson, M.	Scheid	Torres Ray
Cohen	Latz	Pappas	Sheran	Vickerman
Dibble	Lourey	Pogemiller	Sieben	Wiger

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

Senator Wergin moved to amend S.F. No. 2095 as follows:

Page 13, after line 9, insert:

"Sec. 29. **[126C.37] PRIORITY SCHOOL AID.**

Subdivision 1. **Aid.** For fiscal year 2008 only, a school district or charter school's priority school aid equals the product of \$108 times the district or charter school's adjusted average daily membership for that year. For fiscal year 2009 and later years, a school district or charter school's priority school aid equals the product of \$216 times the district or charter school's adjusted average daily membership for each year.

Subd. 2. **Uses.** Aid under this section may be used for any expenditure purpose for which general education revenue under Minnesota Statutes, section 126C.10 maybe used, of it may be used to increase the unreserved general fund balance."

Page 23, after line 9, insert:

"Subd. 15. **Priority School Aid.** For priority school aid under section 126C.37:

\$	<u>79,639,000</u>	<u>2008</u>
\$	<u>167,947,000</u>	<u>2009</u>

The 2008 appropriation includes \$0 for 2007 and \$79,639,000 for 2008.

The 2009 appropriation includes \$8,848,000 for 2008 and \$159,099,000 for 2009."

Page 60, line 28, strike "1.046" and insert "1.039"

Page 62, line 25, delete "\$666,507,000" and insert "\$588,397,000" and delete "\$707,138,000" and insert "\$621,249,000"

Page 62, line 26, delete "\$739,665,000" and insert "\$645,467,000" and delete "\$775,937,000" and insert "\$672,730,000"

Page 62, line 27, delete "\$814,222,000" and insert "\$701,224,000"

Page 67, line 12, delete "\$652,791,000" and insert "\$582,492,000"

Page 67, line 15, delete "\$599,857,000" and insert "\$529,558,000"

Page 69, line 20, delete "\$703,075,000" and insert "\$617,964,000"

Page 69, line 21, delete "\$736,403,000" and insert "\$643,045,000"

Page 69, line 22, delete "\$66,650,000" and insert "\$58,839,000" and delete "\$636,425,000" and insert "\$559,125,000"

Page 69, line 23, delete "\$70,713,000" and insert "\$62,124,000" and delete "\$665,690,000" and insert "\$580,921,000"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senator Hann moved to amend S.F. No. 2095 as follows:

Page 10, line 31, delete everything after "2009"

Page 10, line 32, delete "2011"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 40, as follows:

Those who voted in the affirmative were:

Day	Hann	Koering	Pariseau	Vandever
Dille	Ingebrigtsen	Limmer	Pogemiller	Wergin
Fischbach	Johnson	Michel	Robling	
Gerlach	Jungbauer	Neuville	Rosen	
Gimse	Koch	Olson, G.	Senjem	

Those who voted in the negative were:

Anderson	Cohen	Lourey	Prettner Solon	Skoe
Bakk	Dibble	Lynch	Rest	Skogen
Berglin	Doll	Marty	Rummel	Sparks
Betzold	Erickson Ropes	Metzen	Saltzman	Stumpf
Bonoff	Kubly	Moua	Saxhaug	Tomassoni
Carlson	Langseth	Olseen	Scheid	Torres Ray
Chaudhary	Larson	Olson, M.	Sheran	Vickerman
Clark	Latz	Pappas	Sieben	Wiger

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

Senator Senjem moved to amend S.F. No. 2095 as follows:

Page 41, delete section 24

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 36, as follows:

Those who voted in the affirmative were:

Betzold	Gerlach	Jungbauer	Michel	Rosen
Day	Gimse	Koch	Neuville	Senjem
Dille	Hann	Koering	Pariseau	Skoe
Fischbach	Ingebrigtsen	Limmer	Pogemiller	Vandevveer
Frederickson	Johnson	Lynch	Robling	Wergin

Those who voted in the negative were:

Anderson	Dibble	Marty	Saltzman	Tomassoni
Bakk	Doll	Metzen	Saxhaug	Torres Ray
Berglin	Erickson Ropes	Moua	Scheid	Vickerman
Bonoff	Kubly	Olseen	Sheran	Wiger
Carlson	Langseth	Olson, M.	Sieben	
Chaudhary	Larson	Prettner Solon	Skogen	
Clark	Latz	Rest	Sparks	
Cohen	Lourey	Rummel	Stumpf	

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

S.F. No. 2095 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 51 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Lourey	Prettner Solon	Skogen
Bakk	Erickson Ropes	Lynch	Rest	Sparks
Berglin	Fischbach	Marty	Robling	Stumpf
Betzold	Frederickson	Metzen	Rosen	Tomassoni
Bonoff	Gimse	Moua	Rummel	Torres Ray
Carlson	Koch	Olseen	Saltzman	Vickerman
Chaudhary	Koering	Olson, G.	Saxhaug	Wiger
Clark	Kubly	Olson, M.	Scheid	
Cohen	Langseth	Pappas	Sheran	
Dibble	Larson	Pariseau	Sieben	
Dille	Latz	Pogemiller	Skoe	

Those who voted in the negative were:

Day	Ingebrigtsen	Limmer	Senjem
Gerlach	Johnson	Michel	Vandevveer
Hann	Jungbauer	Neuville	Wergin

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

Senator Pogemiller moved that S.F. No. 2095 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to

House File No. 274:

H.F. No. 274: A bill for an act relating to the Rural Finance Authority; providing for sale of bonds; appropriating money.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Juhnke, Otremba and Finstad have been appointed as such committee on the part of the House.

House File No. 274 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 March 26, 2007

Senator Vickerman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 274, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

RECESS

Senator Pogemiller 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 Pogemiller from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 274: Senators Vickerman, Erickson Ropes and Hann.

Senator Pogemiller moved that the foregoing appointments be approved. The motion prevailed.

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 bill was read the first time.

Senators Langseth, Cohen, Pappas, Senjem and Metzen introduced—

S.F. No. 2157: A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; creating the Minnesota Biomedical Science Research Facilities Authority; authorizing the sale of state bonds; canceling previous appropriations; appropriating money; amending Laws 2005, chapter 20, article 1, sections 7, subdivision 2; 23, subdivision 8; Laws 2005, chapter 156, article 2, section 46; Laws 2006, chapter 258, sections 4, subdivision 4; 7, subdivisions 3, 22; 16, subdivision 4; 21, subdivisions 6, 15; proposing coding for new law in Minnesota Statutes, chapter 137.

Referred to the Committee on Finance.

RECESS

Senator Pogemiller 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.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pogemiller moved that H.F. No. 1033 be withdrawn from the Committee on Judiciary, and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 927, now on General Orders. The motion prevailed.

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

REPORTS OF COMMITTEES

Senator Pogemiller 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

S.F. No. 2096: A bill for an act relating to state government; appropriating money for environmental, natural resources, and energy purposes; establishing and modifying certain programs; modifying rulemaking authority; providing for accounts, assessments, and fees; amending Minnesota Statutes 2006, sections 84.025, subdivision 9; 84.026, subdivision 1; 84.027, by adding a subdivision; 84.0855, subdivisions 1, 2; 84.780; 84.922, subdivisions 1a, 5; 84.927, subdivision 2; 84D.03, subdivision 1; 84D.12, subdivisions 1, 3; 84D.13, subdivision 7; 85.32, subdivision 1; 86B.415, subdivisions 1, 2, 3, 4, 5, 7; 86B.706, subdivision 2; 89A.11; 93.0015, subdivision 3; 97A.045, by adding a subdivision; 97A.055, subdivision 4; 97A.065, by adding a subdivision; 97A.405, subdivision 2; 97A.411, subdivision 1; 97A.451, subdivision 3a; 97A.465, by adding subdivisions; 97A.473, subdivisions 3, 5; 97A.475, subdivisions 3, 7, 11, 12, by adding a subdivision; 97B.601, subdivision 3; 97B.715, subdivision 1; 97B.801; 97C.081, subdivision

3; 97C.355, subdivision 2; 116C.779, subdivision 1; 216B.812, subdivisions 1, 2; 216C.051, subdivision 9; Laws 2003, chapter 128, article 1, section 169; proposing coding for new law in Minnesota Statutes, chapters 84; 84D; 89; 103F; 116J; 216B; 325E; repealing Minnesota Statutes 2006, section 93.2236.

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

Page 5, line 27, delete "from"

Page 5, line 28, delete "the environmental fund" and after "are" insert "from the environmental fund"

Page 7, after line 2, insert:

"The commissioner shall transfer the amount necessary, up to \$600,000, from the remediation fund to the commissioner of health to conduct an evaluation under Minnesota Statutes, section 115B.17, of point of use water treatment units at removing perfluorooctanoic acid and perfluorooctane sulfonate from known concentrations of these compounds in drinking water. The evaluation shall be completed by December 31, 2007, and the commissioner of health may contract for services to complete the evaluation."

Page 14, line 8, before "park" insert "increased"

Page 39, line 25, delete "proceeding" and insert "preceding"

Page 41, line 23, delete "\$36" and insert "\$37.50"

Page 41, line 25, delete "\$26" and insert "\$26.50"

Page 41, line 28, delete "\$48" and insert "\$50.50"

Page 41, line 31, delete "\$37" and insert "\$38.50"

Page 46, after line 27, insert:

"Sec. 58. **[144.995] DEFINITIONS.**

(a) For purposes of sections 144.995 to 144.996, the terms in this section have the meanings given.

(b) "Biomonitoring" means the process by which the presence and concentration of hazardous chemicals and their metabolites are identified within a biospecimen as a means to assess the accumulation of hazardous chemicals in a human body.

(c) "Biospecimen" means a sample of human fluid, serum, or tissue that is reasonably available as a medium to measure the presence and concentration of hazardous chemicals or their metabolites in a human body.

(d) "Commissioner" means the commissioner of the Department of Health.

(e) "Department" means the Department of Health.

(f) "Environmental health tracking" means collection, integration, analysis, and dissemination of data on human exposures to hazardous chemicals in the environment and on diseases potentially caused or aggravated by those chemicals.

(g) "Exposed group" means a group of people who are candidates for biomonitoring because of shared location or experience that indicates likely exposure to a hazardous chemical.

(h) "Hazardous chemical" means a chemical, metal, or other substance for which scientific, peer-reviewed studies of humans, animals, or cells have demonstrated that the chemical is known or reasonably anticipated to adversely impact human health.

Sec. 59. [144.996] ENVIRONMENTAL HEALTH TRACKING; BIOMONITORING.

The commissioner shall implement an environmental health tracking program. The program shall:

(1) coordinate data collection activities with the Minnesota Pollution Control Agency, University of Minnesota, and any other relevant state agency and work to promote the sharing of and access to health and environmental databases, in accordance with appropriate data privacy laws, in order to develop an environmental health tracking system for Minnesota;

(2) facilitate the dissemination of public health tracking data to the public and researchers in an accessible format and provide technical assistance on interpreting the data;

(3) develop written data sharing agreements with the Minnesota Pollution Control Agency and other relevant state agencies and organizations, and develop additional procedures as needed to protect individual privacy;

(4) develop a strategic plan that includes a mission statement, the identification of core priorities for research and epidemiologic surveillance, the identification of internal and external stakeholders, and a work plan describing future program development;

(5) organize, analyze, and interpret available data, in order to:

(i) characterize statewide and localized trends and geographic patterns of prevalence and incidence of chronic diseases, including, but not limited to, cancer, and respiratory diseases;

(ii) recommend to the commissioner methods to improve data collection on statewide population rates of chronic diseases and the occurrence of environmental hazards and exposures;

(iii) characterize statewide and localized trends and geographic patterns in the occurrence of environmental hazards and exposures;

(iv) assess the level of correlation with disease rate data and indicators of exposure such as biomonitoring data, and other health and environmental data;

(v) incorporate newly collected and existing health tracking and biomonitoring data toward identifying exposed groups with elevated rates of chronic disease, higher likelihood of exposure to environmental pollutants, or both;

(vi) analyze occurrence of environmental hazards, exposures, and diseases with relation to socioeconomic status, race, and ethnicity;

(vii) develop and implement, as feasible, targeted plans to conduct more intensive health tracking and biomonitoring among exposed groups;

(viii) work with the Pollution Control Agency and other relevant state agency personnel and organizations to develop, implement as feasible, and evaluate preventive measures to reduce elevated rates of diseases and exposures identified through activities performed under sections 144.995 to 144.996; and

(ix) provide baseline data and present descriptive information relevant to policy formation that are consistent with existing goals of the department; and

(6) submit a biennial report to the legislature by January 15, beginning January 15, 2009, on the status of environmental health tracking activities and related research programs, and making recommendations regarding the continuation and improvement of the programs."

Page 48, after line 22, insert:

"Sec. 63. **BIOMONITORING PILOT PROGRAM.**

Subdivision 1. **Pilot program.** The commissioner shall implement a biomonitoring pilot program. The program shall collect one biospecimen from each of the voluntary participants. The biospecimen selected must be the biospecimen that most accurately represents body concentration of the chemical of interest. Each biospecimen from the voluntary participants must be analyzed for one type or class of related chemicals or metals. The commissioner shall determine the chemical that community members were most likely exposed to. The program shall collect and assess biospecimens from 100 voluntary participants that the commissioner identifies as likely to have been exposed to perfluorinated chemicals.

Subd. 2. **Base program.** Following the conclusion of the pilot program, the commissioner shall:

(1) assess the usefulness of continuing biomonitoring among members of exposed groups assessed during the initial phase of the program, and to identify other exposed groups and other hazardous chemicals to be assessed via biomonitoring; and

(2) submit a report to the legislature by January 15, 2008, on the results of the biomonitoring pilot program and recommendations for future biomonitoring efforts.

Subd. 3. **Participation.** (a) Participation in the biomonitoring program by providing biospecimens is voluntary. Minors may participate in the program if a written consent is signed by the minor's parent or legal guardian. The written consent must include the information required to be provided under this subdivision to all voluntary participants.

(b) Voluntary participants shall receive an explanation regarding the chemical for which the biospecimen is being collected and the health ramifications, if any, of the testing process. Voluntary participants shall also receive consultation, health care referrals, and follow-up counseling and shall be offered educational materials, including information regarding possible routes of exposure, ways to reduce exposure, and the availability of state and local resources. Test results shall be available to voluntary participants upon request, along with explanatory information.

(c) Data collected under the biomonitoring program are health data for purposes of Minnesota Statutes, section 13.3805.

Subd. 4. **Program guidelines.** (a) The commissioner shall develop:

(1) protocols or program guidelines that address the science and practice of biomonitoring to be utilized and procedures for changing those protocols to incorporate new and more accurate or efficient technologies as they become available. The protocols shall be developed utilizing a peer-review process in a manner that is participatory and community-based in design, implementation, and evaluation;

(2) guidelines for ensuring the privacy of information; informed consent; follow-up counseling and support; and communicating findings to participants, communities, and the general public. The informed consent used for the program must meet the informed consent protocols developed by the National Institutes of Health;

(3) educational and outreach materials that are culturally appropriate for dissemination to program participants and communities. Priority shall be given to the development of materials specifically designed to ensure that parents are informed about all of the benefits of breast-feeding so that the program does not result in an unjustified fear of toxins in breast milk, which might inadvertently lead parents to avoid breast-feeding. The materials shall communicate relevant scientific findings; data on the accumulation of pollutants to community health; and the required responses by local, state, and other governmental entities in regulating toxicant exposures;

(4) a training program that is culturally sensitive specifically for health care providers, health educators, and other program administrators;

(5) a designation process for state and private laboratories that are qualified to analyze biospecimens and report the findings; and

(6) a method for informing affected communities and local governments representing those communities concerning biomonitoring activities and for receiving comments from citizens concerning those activities.

(b) The commissioner may enter into contractual agreements with health clinics, community-based organizations, or experts in a particular field to perform any of the activities described under this section.

Sec. 64. INFORMATION SHARING.

On or before August 1, 2007, the commissioner of health, the Minnesota Pollution Control Agency and the University of Minnesota are requested to jointly develop and sign a memorandum of understanding declaring their intent to share new and existing environmental hazard, exposure, and health outcome data, within applicable data privacy laws, and to cooperate and communicate effectively to ensure sufficient clarity and understanding of the data by divisions and offices within both departments."

Page 50, line 34, delete "116J.9861" and insert "216C.39"

Page 51, delete section 8

Page 51, after line 13, insert:

"Sec. 7. COMPENSATION INCREASES

The appropriations in this article, and any statutory appropriations from which state employee compensation is paid from any fund, include an amount sufficient to fund compensation increases of at least 3.25 percent of the 2007 compensation base for the first year, compounded at the rate of 3.25 percent for the second year. This amount must be used for that purpose and no other."

Page 51, line 29, after "facility" insert "that has been discontinued"

Page 52, line 26, before "hydrogen" insert "renewable"

Page 52, line 27, delete "and the Pollution"

Page 52, line 28, delete "Control Agency" and strike "conjunction" and insert "coordination" and after "Administration" insert "and the Pollution Control Agency,"

Page 52, line 29, after "deploying" insert "renewable"

Page 52, line 30, before the period, insert "in ways that demonstrate their commercial performance and economics"

Page 52, line 31, delete the new language

Page 53, line 6, before "hydrogen" insert "renewable"

Page 53, line 10, before "hydrogen" insert "cost-effective renewable"

Page 53, line 22, before "hydrogen" insert "renewable"

Page 53, line 27, strike "all demonstrations" and insert "deployment projects that do not involve a demonstration component"

Page 54, line 1, before "hydrogen" insert "renewable"

Page 54, lines 14, 25, and 35, before "hydrogen" insert "renewable"

Page 54, line 17, after "of" insert "marketplace economics and"

Page 54, line 19, after the second comma, insert "strategies for working with industry,"

Page 54, line 20, before "hydrogen" insert "renewable" and after "how" insert "renewable"

Page 54, line 21, delete the second "and" and insert a comma and after "predictable" insert ", and prudent"

Page 55, line 4, before "hydrogen" insert "renewable"

Page 55, after line 8, insert:

"Sec. 12. [216C.39] RURAL WIND ENERGY DEVELOPMENT REVOLVING LOAN FUND.

Subdivision 1. **Establishment.** A rural wind energy development revolving loan fund is established as an account in the special revenue fund in the state treasury. The commissioner of finance shall credit to the account the amounts authorized under this section and appropriations and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from fund assets must be credited to the account.

Subd. 2. **Purpose.** The rural wind energy development revolving loan fund is created to provide financial assistance, through partnership with local owners and communities, in development of community wind energy projects as defined in section 216B.1612.

Subd. 3. **Expenditures.** Money in the fund is appropriated to the commissioner of commerce, and may be used to provide qualifying owners of community energy projects, as defined in section 216B.1612, with loans to assist in the funding of wind studies and transmission interconnection studies. The loans shall be structured for repayment within 30 days of the date commercial operations have commenced, or within two years of the date the loan is issued, whichever is sooner. The commissioner may pay reasonable and actual costs of administering the loan program, not to exceed interest earned on fund assets.

Subd. 4. **Limitations.** A loan may not be approved for an amount in excess of \$100,000. This limit covers all money paid to complete the same project or paid to the same entity, whether paid to one or more qualifying owners and whether paid in one or more fiscal years.

Subd. 5. **Administration; eligible projects.** (a) Applications for a loan under this section must be made in a manner and on forms prescribed by the commissioner. Loans to eligible projects shall be made in the order in which they are received by the commissioner. If the loan applicant submits a payment request demonstrating a payment due to the midwest independent system operator, then the commissioner shall disburse loan funds to the applicant within ten days. Interest payable on the loan amount may not exceed 1.5 percent per annum.

(b) A project is eligible for a loan under this program if:

(1) the project has a complete interconnection feasibility study that indicates the project may be interconnected with system upgrades of less than ten percent of the estimated project costs;

(2) the project has either a signed power purchase agreement with an electric utility or evidence that the project is under serious consideration for an agreement with an electric utility;

(3) the ownership and structure of the project allows the project to qualify as a community-based energy development project under section 216B.1612 and the developer commits to obtaining and maintaining C-BED status; and

(4) the commissioner has determined that sufficient funds are available to make a loan to the project."

Renumber the sections in sequence

Amend the title accordingly

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. 276: A bill for an act relating to insurance; creating a statewide health insurance pool for school district employees; appropriating money; amending Minnesota Statutes 2006, sections 13.203; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Page 3, after line 6, insert:

"(g) The commissioner of commerce shall provide administrative support to the board."

Page 7, line 16, delete "\$5,000,000" and insert "\$4,000,000"

Page 7, line 17, delete the second "to" and insert "of"

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. 2089: A bill for an act relating to state government; appropriating money for jobs and economic development purposes; establishing and modifying certain programs; regulating certain activities and practices; providing for accounts, assessments, and fees; modifying provisions governing contractors; requiring studies; amending Minnesota Statutes 2006, sections 13.712, by adding a subdivision; 16B.61, subdivision 1a; 16B.65, subdivisions 1, 5a; 16B.70, subdivision 2; 80A.28, subdivision 1; 116J.551, subdivision 1; 116J.554, subdivision 2; 116J.555, subdivision 1; 116J.575, subdivisions 1, 1a; 116J.966, subdivision 1; 116L.17, subdivision 1; 116L.20, subdivision 1; 116M.18, subdivision 6a; 240.06, subdivision 5a, by adding a subdivision; 240.13, subdivision 6; 240.135; 240.30, subdivision 5; 268A.01, subdivision 13, by adding a subdivision; 268A.085, subdivision 1; 268A.15, by adding a subdivision; 298.22, subdivision 2; 298.227; 326.242, subdivision 8, by adding a subdivision; 326.2441; 326.47, subdivision 6; 326.975, subdivision 1; 326.992; 327.33, subdivisions 2, 6; 327B.04, subdivision 7; 462A.21, subdivision 8b; 462A.33, subdivision 3; 471.471, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 138; 177; 179; 182; 326; proposing coding for new law as Minnesota Statutes, chapters 59C; 326B; repealing Minnesota Statutes 2006, sections 16B.747, subdivision 4; 16C.18, subdivision 2; 183.375, subdivision 5; 183.545, subdivision 9; 326.241, subdivision 3; 326.44; 326.52; 326.64; 326.975.

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

Page 10, line 20, delete "the second" and insert "each"

Page 19, before line 12, insert:

"Sec. 16. COMPENSATION INCREASES

The appropriations in this article, and any statutory appropriations from which state employee compensation is paid from any fund, include an amount sufficient to fund

compensation increases of at least 3.25 percent of the 2007 compensation base for the first year, compounded at the rate of 3.25 percent for the second year. This amount must be used for that purpose and no other."

Page 19, after line 29, insert:

"Sec. 19. Minnesota Statutes 2006, section 13.7905, is amended by adding a subdivision to read:

Subd. 4a. **Independent contractor exemption certificates.** Section 181.723, subdivision 15, governs data related to independent contractor exemption certificates.

EFFECTIVE DATE. This section is effective June 1, 2008."

Page 36, delete section 43 and insert:

"Sec. 45. Minnesota Statutes 2006, section 177.27, subdivision 1, is amended to read:

Subdivision 1. **Examination of records.** The commissioner may enter during reasonable office hours or upon request and inspect the place of business or employment of any employer of employees working in the state, to examine and inspect books, registers, payrolls, and other records of any employer that in any way relate to wages, hours, and other conditions of employment of any employees. The commissioner may transcribe any or all of the books, registers, payrolls, and other records as the commissioner deems necessary or appropriate and may question the employees to ascertain compliance with sections 177.21 to ~~477.35~~ 177.435. The commissioner may investigate wage claims or complaints by an employee against an employer if the failure to pay a wage may violate Minnesota law or an order or rule of the department.

Sec. 46. Minnesota Statutes 2006, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to ~~477.35~~ 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.12, 181.13, 181.14, 181.145, 181.15, and 181.79, or with any rule promulgated under section 177.28. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner."

Page 37, delete section 45 and insert:

"Sec. 48. **[181.723] DEFINITIONS.**

Subdivision 1. **Scope.** The definitions in this subdivision apply to this section.

(a) "Person" means any individual, limited liability corporation, corporation, partnership, incorporated or unincorporated association, sole proprietorship, joint stock company, or any other legal or commercial entity.

(b) "Department" means the Department of Labor and Industry.

(c) "Commissioner" means the commissioner of the Department of Labor and Industry.

(d) "Knowingly" means knew or could have known with the exercise of reasonable diligence.

Subd. 2. **Limited application.** This section applies only to individuals performing public or private sector commercial or residential building construction or improvement services.

Subd. 3. **Employee-employer relationship.** Except as provided in subdivision 4, for purposes of chapters 176, 177, 181A, 182, and 268, an individual who performs services for a person that are in the course of the person's trade, business, profession, or occupation is an employee of that person and that person is an employer of the individual.

Subd. 4. **Independent contractor.** An individual is an independent contractor and not an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession or occupation only if (1) the individual holds a current independent contractor exemption certificate issued by the commissioner; and (2) the individual is performing services for the person under the independent contractor exemption certificate as provided in subdivision 6. The requirements in clauses (1) and (2) must be met in order to qualify as an independent contractor and not as an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation.

Subd. 5. **Application.** To obtain an independent contractor exemption certificate, the individual must submit, in the manner prescribed by the commissioner, a complete application and the certificate fee required under subdivision 13.

(a) A complete application must include all the following information:

(1) the individual's full name;

(2) the individual's residence address and telephone number;

(3) the individual's business name, address, and telephone number;

(4) the services for which the individual is seeking an independent contractor exemption certificate;

(5) the individual's Social Security number;

(6) the individual's or the individual's business federal employer identification number, if a number has been issued to the individual or the individual's business;

(7) any information or documentation that the commissioner requires by rule that will assist the department in determining whether to grant or deny the individual's application; and

(8) The individual's sworn statement that the individual meets all of the following conditions:

(i) the individual maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(ii) the individual holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the federal Internal Revenue Service

if the person has performed services in the previous year for which the individual is seeking the independent contractor exemption certificate;

(iii) the individual operates under contracts to perform specific services for specific amounts of money and under which the individual controls the means of performing the services;

(iv) the individual incurs the main expenses related to the service that the individual performs under contract;

(v) the individual is responsible for the satisfactory completion of services that the individual contracts to perform and is liable for a failure to complete the service;

(vi) the individual receives compensation for service performed under a contract on a commission or per-job or competitive bid basis and not on any other basis;

(vii) the individual may realize a profit or suffer a loss under contracts to perform service;

(viii) the individual has continuing or recurring business liabilities or obligations; and

(ix) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

(b) Within 30 days of receiving a complete application and the certificate fee, the commissioner must either grant or deny the application. The commissioner may deny an application for an independent contractor exemption certificate if the individual has not submitted a complete application and certificate fee or if the individual does not meet all of the conditions for holding the independent contractor exemption certificate. The commissioner may revoke an independent contractor exemption certificate if the commissioner determines that the individual no longer meets all of the conditions for holding the independent contractor exemption certificate, commits any of the actions set out in subdivision 7, or fails to cooperate with a department investigation into the continued validity of the individual's certificate. Once issued, an independent contractor exemption certificate remains in effect for two years unless:

(1) revoked by the commissioner; or

(2) canceled by the individual.

(c) If the department denies an individual's original or renewal application for an independent contractor exemption certificate or revokes an independent contractor exemption certificate, the commissioner shall issue to the individual an order denying or revoking the certificate. The commissioner may issue an administrative penalty order to an individual or person who commits any of the actions set out in subdivision 7.

(d) An individual or person to whom the commissioner issues an order under paragraph (c) shall have 30 days after service of the order to request a hearing. The request for hearing must be in writing and must be served on or faxed to the commissioner at the address or fax number specified in the order by the 30th day after service of the order. If the individual does not request a hearing or if the individual's request for a hearing is not served on or faxed to the commissioner by the 30th day after services of the order, the order shall become a final order of the commissioner and is not subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. If the

individual serves or faxes a timely request for hearing, the hearing shall be a contested case hearing and shall be held in accordance with chapter 14.

Subd. 6. **Qualifications for exemption certificate.** An individual is performing services for a person under an independent contractor exemption certificate if:

(a) the individual is performing services listed on the individual's independent contractor exemption certificate;

(b) at the time the individual is performing services listed on the individual's independent contractor exemption certificate, the individual meets all the following conditions:

(1) the individual maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(2) the individual holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the federal Internal Revenue Service if the individual performed services in the previous year for which the individual has the independent contractor exemption certificate;

(3) the individual is operating under contract to perform the specific services for the person for specific amounts of money and under which the individual controls the means of performing the services;

(4) the individual is incurring the main expenses related to the services that the individual is performing for the person under the contract;

(5) the individual is responsible for the satisfactory completion of the services that the individual has contracted to perform for the person and is liable for a failure to complete the services;

(6) the individual receives compensation from the person for the services performed under the contract on a commission or per-job or competitive bid basis and not on any other basis;

(7) the individual may realize a profit or suffer a loss under the contract to perform services for the person;

(8) the individual has continuing or recurring business liabilities or obligations; and

(9) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

Subd. 7. **Prohibited activities.** (a) An individual shall not:

(1) perform work as an independent contractor without first obtaining from the department an independent contractor exemption certificate;

(2) perform work as an independent contractor when the department has denied or revoked the individual's independent contractor exemption certificate;

(3) transfer to another individual or allow another individual to use the individual's independent contractor exemption certificate;

(4) alter or falsify an independent contractor exemption certificate;

(5) misrepresent the individual's status as an independent contractor; or

(6) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule adopted by the commissioner under this section.

(b) A person for whom an individual is performing services in the person's trade, business, profession, or occupation shall not:

(1) require an individual through coercion, misrepresentation, or fraudulent means to adopt independent contractor status;

(2) knowingly misrepresent that an individual who has not been issued an independent contractor exemption certificate or is not performing services for the person under an independent contractor exemption certificate is an independent contractor; or

(3) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule adopted by the commissioner under this section.

(c) An individual or person who violates a provision of this subdivision is subject to a penalty to be assessed by the department of up to \$1,000 for each violation. The department shall deposit penalties in the Assigned Risk Safety Account.

Subd. 8. Commissioner's powers. (a) In order to carry out the purposes of this section, the commissioner may:

(1) administer oaths and affirmations, certify official acts, interview, question, take oral or written statements, and take depositions;

(2) request, examine, take possession of, photograph, record, and copy any documents, equipment, or materials;

(3) at a time and place indicated by the commissioner, request persons to appear before the commissioner to give testimony and produce documents, equipment, or materials;

(4) issue subpoenas to compel persons to appear before the commissioner to give testimony and produce documents, equipment, or materials; and

(5) subject to paragraph (c), with or without notice, enter without delay upon any property, public or private, for the purpose of taking any action authorized under this subdivision or the applicable law, including obtaining information or conducting inspections or investigations.

(b) Persons requested by the commissioner to give testimony or produce documents, equipment, or materials shall respond within the time and in the manner specified by the commissioner. If no time to respond is specified in the request, then a response shall be submitted within 30 days of the commissioner's service of the request.

(c) Upon the refusal or anticipated refusal of a property owner, lessee, property owner's representative, or lessee's representative to permit the commissioner's entry onto property as provided in paragraph (a), the commissioner may apply for an administrative inspection order in the Ramsey County District Court or, at the commissioner's discretion, in the district court in the

county in which the property is located. The commissioner may anticipate that a property owner or lessee will refuse entry if the property owner, lessee, property owner's representative, or lessee's representative has refused to permit entry on a prior occasion or has informed the commissioner that entry will be refused. Upon showing of administrative probable cause by the commissioner, the district court shall issue an administrative inspection order that compels the property owner or lessee to permit the commissioner to enter the property for the purposes specified in paragraph (a).

(d) Upon the application of the commissioner, a district court shall treat the failure of any person to obey a subpoena lawfully issued by the commissioner under this subdivision as a contempt of court.

Subd. 9. **Notice requirements.** Unless otherwise specified, service of a document on a person under this section may be by mail, by personal service, or in accordance with any consent to service filed with the commissioner. Service by mail shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 2. Personal service shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 3.

Subd. 10. **Facsimile; timely service.** When this section permits a request for reconsideration or request for hearing to be served by fax on the commissioner, the fax shall not exceed 15 pages in length. The request shall be considered timely served if the fax is received by the commissioner, at the fax number identified by the commissioner in the order or notice of violation, no later than 4:30 p.m. central time on the last day permitted for faxing the request. Where the quality or authenticity of the faxed request is at issue, the commissioner may require the original request to be filed. Where the commissioner has not identified quality or authenticity of the faxed request as an issue and the request has been faxed in accordance with this subdivision, the person faxing the request does not need to file the original request with the commissioner.

Subd. 11. **Time period computation.** In computing any period of time prescribed or allowed by this section, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the next day which is not a Saturday, Sunday, or legal holiday.

Subd. 12. **Rulemaking.** The commissioner may, in consultation with the commissioner of the Department of Revenue and the commissioner of the Department of Employment and Economic Development, adopt, amend, and repeal rules that relate to the commissioner's responsibilities under this section.

Subd. 13. **Fee.** The certificate fee for the original application and for the renewal of an independent contractor exemption certificate is \$150. The certificate fee shall be deposited in the construction code fund and is appropriated to the commissioner for payment of the costs related to administering and enforcing this section.

Subd. 14. **Notice to commissioner; review by commissioner of revenue.** When the commissioner has reason to believe that an individual who holds a certificate has failed to maintain all the conditions required by subdivision 6 or is not performing services for a person under the independent contractor exemption certificate, the commissioner must notify the commissioner of the Department of Revenue and the commissioner of the Department of Employment and Economic Development. Upon receipt of notification from the commissioner that an individual who holds a certificate has failed to maintain all the conditions required by subdivision 6 or is not performing

services for a person under the independent contractor exemption certificate, the commissioner of the Department of Revenue must review the information returns required under section 6041A of the Internal Revenue Code. The commissioner of the Department of Revenue shall also review the submitted certification that is applicable to returns audited or investigated under section 289A.35.

Subd. 15. **Data.** Data in applications for an independent contractor exemption certificate and any required documentation submitted to the commissioner are private data on individuals as defined in section 13.02. Data in exemption certificates issued by the commissioner are public data. Data that document a revocation or cancellation of an exemption certificate are public data. Upon request of the Department of Revenue or the Department of Employment and Economic Development, the commissioner may release to the requesting department data classified as private under this subdivision or investigative data that are not public under section 13.39 that relate to the issuance or denial of applications or revocations of certificates.

EFFECTIVE DATE. Subdivision 12 is effective the day following final enactment. The remainder of this section is effective July 1, 2008."

Page 37, line 4, delete everything after the first "employees"

Page 37, line 5, delete everything before the period

Pages 40 to 44, delete sections 49 to 53

Page 63, delete subdivision 10

Page 63, line 35, delete "Subd. 11." and insert "Subd. 10."

Page 64, line 7, delete "Subd. 12." and insert "Subd. 11."

Page 64, line 12, delete "Subd. 13." and insert "Subd. 12."

Page 64, line 17, delete "Subd. 14." and insert "Subd. 13."

Page 64, line 20, delete "Subd. 15." and insert "Subd. 14."

Page 65, line 3, delete "Subd. 16." and insert "Subd. 15."

Page 65, line 5, delete "Subd. 17." and insert "Subd. 16."

Page 65, line 13, delete "16" and insert "15"

Page 68, delete section 76

Page 68, delete section 79 and insert:

"Sec. 76. **REPEALER.**

(a) Minnesota Statutes 2006, sections 16B.747, subdivision 4; 16C.18, subdivision 2; 183.375, subdivision 5; 183.545, subdivision 9; 326.241, subdivision 3; 326.44; 326.52; and 326.64, are repealed.

(b) Minnesota Statutes 2006, section 326.975, is repealed effective December 1, 2007.

(c) Minnesota Statutes 2006, section 181.722, is repealed effective January 1, 2009."

Page 68, line 18, delete everything after "with" and insert "Minnesota Statutes, section 182.6553"

Page 68, line 19, delete everything before the period

Re-number the sections in sequence

Amend the title numbers accordingly

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2096, 276 and 2089 were read the second time.

MEMBERS EXCUSED

Senators Foley and Higgins were excused from the Session of today. Senator Rest was excused from the Session of today from 12:00 noon to 12:30 p.m. Senator Neuville was excused from the Session of today from 12:00 noon to 1:15 p.m. Senator Murphy was excused from the Session of today at 1:00 p.m. Senator Ortman was excused from the Session of today from 1:25 to 1:40 and at 2:00 p.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 12:00 noon, Tuesday, March 27, 2007. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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