

STATE OF MINNESOTA

# Journal of the Senate

EIGHTY-FIFTH LEGISLATURE

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FIFTY-SEVENTH DAY

St. Paul, Minnesota, Friday, April 27, 2007

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

## CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Howard A. Skulstad.

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

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

The President declared a quorum present.

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

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 846, and repassed said bill in accordance with the report of the Committee, so adopted.

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

Senate File No. 846 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 26, 2007

Mr. President:

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

**S.F. No. 238:** A bill for an act relating to health; establishing public policy to protect employees and the general public from the hazards of secondhand smoke; requiring persons to refrain from smoking in certain areas; amending Minnesota Statutes 2006, sections 144.412; 144.413, subdivisions 2, 4, by adding subdivisions; 144.414; 144.416; 144.417; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2006, section 144.415.

Senate File No. 238 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 26, 2007

Senator Pogemiller moved that S.F. No. 238 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 272:

**H.F. No. 272:** A bill for an act relating to the military and veterans; clarifying that a statute ensuring the continuation of state licenses and certificates of registration for any trade, employment, occupation, or profession while soldiers and certain essential employees are engaged in active military service applies to licenses and certificates of registration requiring firearms and use of force training; amending Minnesota Statutes 2006, section 326.56, subdivision 2.

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

Haws, Doty and Severson have been appointed as such committee on the part of the House.

House File No. 272 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 April 26, 2007

Senator Skogen moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 272, 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.

**REPORTS OF COMMITTEES****Senator Murphy from the Committee on Transportation, to which was referred**

**S.F. No. 1648:** A bill for an act relating to transportation; establishing minimum standards for compatible land uses in airport safety zones; amending Minnesota Statutes 2006, section 360.066, subdivisions 1, 1a, 1b, by adding a subdivision; repealing Minnesota Statutes 2006, section 360.066, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. **RUNWAY SAFETY AND AIRPORT ZONING ADVISORY TASK FORCE.**

Subdivision 1. **Task force established.** An advisory task force on runway safety and airport zoning is established to study and make recommendations regarding best practices for safety implications of airport zoning at Minneapolis-St. Paul International Airport and all other airports operated by the Metropolitan Airports Commission. The task force shall study:

- (1) current law and public policy related to runway safety and airport zoning;
- (2) existing studies and literature regarding best practices for safety at domestic and international airports;
- (3) land use policies beyond the federal runway protection zone at airports comparable to Minneapolis-St. Paul International Airport, including, but not limited to:
  - (i) laws, regulations, ordinances, and polices in force regarding runway safety and zoning;
  - (ii) nature of ownership of the land beyond the federal runway protection zone;
  - (iii) the levels of government with zoning authority over the land; and
  - (iv) the impact on zoning and land use of the presence on the land of public roads and highways, bodies of water such as rivers and lakes, and other land uses;
- (4) the appropriate extent and nature of state oversight in establishing runway safety zones and land use near airports;
- (5) use of indemnification agreements; and
- (6) other issues relating to land use and zoning areas around airports as determined by the task force.

Subd. 2. **Membership.** (a) The task force is comprised of the following members:

- (1) three members of the senate, two appointed by the majority leader and one appointed by the minority leader;
- (2) three members of the house of representatives, two appointed by the speaker of the house of representatives and one appointed by the minority leader;

(3) the chair and ranking minority member of the house of representatives Transportation Finance Division;

(4) the chair and ranking minority member of the senate Transportation Budget and Policy Division;

(5) the chair and ranking minority member of the senate State and Local Government Operations and Oversight Committee;

(6) the chair and ranking minority member of the house of representatives Local Government and Metropolitan Affairs Committee;

(7) the director of the Department of Transportation Office of Aeronautics; and

(8) the chair of the Metropolitan Council or a designee.

(b) The chair of the senate Transportation Budget and Policy Division shall convene the first meeting of the task force within two weeks after the legislative members have been appointed to the task force. The members shall elect a chair from their membership at the first meeting. Task force members must be appointed no later than August 1, 2007.

Subd. 3. **Report.** By February 15, 2008, the task force shall report its recommendations to the chairs of the legislative committees with jurisdiction over state aviation policy and the Metropolitan Airports Commission.

Subd. 4. **Expenses.** Per diem and expenses for members of the task force are as provided for under Minnesota Statutes, section 15.059.

Subd. 5. **Expiration.** This section expires after the submission of the report as required under subdivision 3.

## Sec. 2. **APPROPRIATION.**

\$100,000 in fiscal year 2008 is appropriated from the general fund to the Legislative Coordinating Commission for the administrative expenses of the Runway Safety and Airport Zoning Advisory Task Force, and for other costs relating to the preparation of the report required by the task force, including the costs of hiring a consultant, if needed. Any amount of this appropriation remaining after fiscal year 2008 must revert to the general fund.

## Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective July 1, 2007."

Amend the title as follows:

Page 1, line 2, delete everything after "establishing"

Page 1, line 3, delete everything before the semicolon and insert "runway safety and airport zoning advisory task force; requiring report; appropriating money"

Amend the title numbers accordingly

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

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

**Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred**

**S.F. No. 1194:** A bill for an act relating to public safety; establishing reduced ignition propensity standards for cigarettes; authorizing the state fire marshal to monitor and the state attorney general to enforce the standards; imposing a fee; establishing penalties for violations; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

Page 4, line 12, after "may" insert ", by written order published in the State Register,"

Page 4, line 17, after the period, insert "A determination by the state fire marshall under this subdivision is exempt from the rulemaking provisions of chapter 14 and section 14.386 does not apply."

Page 5, line 24, after "reduced" insert "cigarette"

Page 5, line 25, delete "cigarette"

Page 8, line 22, after "REDUCED" insert "CIGARETTE" and delete "CIGARETTE"

Page 8, line 24, after "reduced" insert "cigarette" and delete "cigarette"

And when so amended the bill do pass.

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

**Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred**

**S.F. No. 2040:** A bill for an act relating to natural resources; modifying off-highway vehicle provisions; requiring designation of state forest traditional areas; providing exemptions from rulemaking; amending Minnesota Statutes 2006, section 84.777; Laws 2003, chapter 128, article 1, section 167, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 89.

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

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

**Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred**

**S.F. No. 647:** A bill for an act relating to transportation; modifying school bus equipment standards; clarifying pupil transportation requirements; defining multifunctional school activity bus; creating a licensure exception; amending Minnesota Statutes 2006, sections 123B.88, subdivision 12; 123B.90, subdivision 2; 123B.92, subdivision 5; 169.01, subdivision 6, by adding a subdivision; 169.443, by adding a subdivision; 169.447, subdivision 2; 169.4501, subdivisions

1, 2; 169.4502, subdivision 5; 169.4503, subdivisions 13, 20; 171.02, subdivisions 2, 2a; 171.321, subdivision 4; repealing Minnesota Statutes 2006, sections 169.4502, subdivision 15; 169.4503, subdivisions 17, 18, 26.

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

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

**Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred**

**S.F. No. 1196:** A bill for an act relating to housing; creating the Minnesota manufactured home relocation trust fund; requiring that a manufactured home park owner make specified payments to the trust fund; requiring an owner of a manufactured home who rents a lot in a manufactured home park to make an annual payment to the trust fund; amending Minnesota Statutes 2006, sections 327C.095, subdivisions 1, 4, by adding subdivisions; 462A.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

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 327C.095, subdivision 1, is amended to read:

Subdivision 1. **Conversion of use; minimum notice.** At least nine months before the conversion of all or a portion of a manufactured home park to another use, or before closure of a manufactured home park or cessation of use of the land as a manufactured home park, the park owner must prepare a closure statement and provide a copy to the commissioners of health and the housing finance agency, the local planning agency, and a resident of each manufactured home where the residential use is being converted. The closure statement must include the following language in a font no smaller than 14 point: "YOU MAY BE ENTITLED TO COMPENSATION FROM THE MINNESOTA MANUFACTURED HOME RELOCATION TRUST FUND ADMINISTERED BY THE MINNESOTA HOUSING FINANCE AGENCY." A resident may not be required to vacate until 60 days after the conclusion of the public hearing required under subdivision 4. If a lot is available in another section of the park that will continue to be operated as a park, the park owner must allow the resident to relocate the home to that lot unless the home, because of its size or local ordinance, is not compatible with that lot.

Sec. 2. Minnesota Statutes 2006, section 327C.095, subdivision 4, is amended to read:

Subd. 4. **Public hearing; relocation costs compensation; third-party neutral.** The governing body of the affected municipality shall hold a public hearing to review the closure statement and any impact that the park closing may have on the displaced residents and the park owner. ~~Before any change in use or cessation of operation and as a condition of the change, the governing body may require a payment by the park owner to be made to the displaced resident for the reasonable relocation costs. If a resident cannot relocate the home to another manufactured home park within a 25-mile radius of the park that is being closed, the resident is entitled to relocation costs based upon an average of relocation costs awarded to other residents.~~ At the time of, and in the notice for, the public hearing, displaced residents must be informed that they may be eligible for payments from the Minnesota manufactured home relocation trust fund under section 462A.40 as compensation for

reasonable relocation costs under subdivision 13, paragraphs (a) and (e).

The governing body of the municipality may also require that other parties, including the municipality, but excluding the park owner or its purchaser, involved in the park closing provide additional compensation to residents to mitigate the adverse financial impact of the park closing upon the residents.

At the public hearing, the municipality shall appoint a third-party neutral, to be agreed upon by both the manufactured home park owner and manufactured home owners, whose hourly cost must be reasonable and paid from the Minnesota manufactured home relocation trust fund. The third-party neutral shall act as a paymaster and arbitrator, with decision-making authority to resolve any questions or disputes regarding any contributions or disbursements to and from the Minnesota manufactured home relocation trust fund by either the manufactured home park owner or the manufactured home owners. If the parties cannot agree on a third party, the municipality will make a determination.

Sec. 3. Minnesota Statutes 2006, section 327C.095, is amended by adding a subdivision to read:

**Subd. 12. Payment to the Minnesota manufactured home relocation trust fund.** (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon such change in use, pay to the commissioner of finance for deposit in the Minnesota manufactured home relocation trust fund under section 462A.40, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the third-party neutral and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt from the third-party neutral.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes, or has failed to pay the annual \$12 payments to the Minnesota manufactured home relocation trust fund when due;

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered

by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1.

(c) Owners of manufactured homes who rent lots in a manufactured home park shall make annual payments to the park owner, to be deposited in the Minnesota manufactured home relocation trust fund under section 462A.40, in the amount of \$12 per year, per manufactured home, payable on August 15 of each year. On or before July 15 of each year, the commissioner of finance shall prepare and forward to the park owner for circulation to its residents, a generic invoice and cover letter explaining the purpose of the Minnesota manufactured home relocation trust fund, the obligation of each manufactured home owner to make an annual \$12 payment into the fund, the due date, and the need to pay to the park owner for collection, and a warning, in 14-point font, that if the annual payments are not made when due, the manufactured home owner will not be eligible for compensation from the fund if the manufactured home community closes. The park owner shall receive, record, and commingle the payments and forward the payments to the commissioner of finance by September 15 of each year, with a summary by the park owner, certifying the name, address, and payment amount of each remitter, and noting the names and address of manufactured home owners who did not pay the \$12 annual payment. The commissioner of finance shall deposit the payments in the Minnesota manufactured home relocation trust fund.

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the third-party neutral, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction.

Sec. 4. Minnesota Statutes 2006, section 327C.095, is amended by adding a subdivision to read:

**Subd. 13. Change in use, relocation expenses; payments by park owner.** (a) If a manufactured home owner is required to relocate due to the conversion of all or a portion of a manufactured home park to another use, the closure of a manufactured home park, or cessation of use of the land as a manufactured home park under subdivision 1, and the manufactured home owner complies with the requirements of this section, the manufactured home owner is entitled to payment from the Minnesota manufactured home relocation trust fund equal to the manufactured home owner's actual relocation costs for relocating the manufactured home to a new location within a 25-mile radius of the park that is being closed, up to a maximum of \$4,000 for a single-section and \$8,000 for a multisection manufactured home. The actual relocation costs must include the reasonable cost of taking down, moving, and setting up the manufactured home, including equipment rental, utility connection and disconnection charges, minor repairs, modifications necessary for transportation of the home, necessary moving permits and insurance, moving costs for any appurtenances, which meet applicable local, state, and federal building and construction codes.

(b) A manufactured home owner is not entitled to compensation under paragraph (a) if the manufactured home park owner is not required to make a payment to the Minnesota manufactured home relocation trust fund under subdivision 12, paragraph (b).



(c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota manufactured home relocation trust fund, the manufactured home owner shall submit to the third-party neutral and the Minnesota Housing Finance Agency, with a copy to the park owner, an application for payment, which includes:

(1) a copy of the closure statement under subdivision 1;

(2) a copy of the contract with a moving or towing contractor, which includes the relocation costs for relocating the manufactured home;

(3) a statement with supporting materials of any additional relocation costs as outlined in subdivision 1;

(4) a statement certifying that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), apply to the manufactured home owner;

(5) a statement from the manufactured park owner that the lot rental is current and that the annual \$12 payments to the Minnesota manufactured home relocation trust fund have been paid when due; and

(6) a statement from the county where the manufactured home is located certifying that personal property taxes for the manufactured home are paid through the end of that year.

(d) If the third-party neutral does not approve or deny payment within 45 days after receipt of the information set forth in paragraph (c), the payment is deemed approved. Upon approval and request by the third-party neutral, the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent of the contract price payable to the mover and towing contractor for relocating the manufactured home in the amount of the actual relocation cost, plus a check to the home owner for additional certified costs associated with third-party vendors, that were necessary in relocating the manufactured home. The moving or towing contractor shall receive 50 percent upon execution of the contract and 50 percent upon completion of the relocation and approval by the manufactured home owner. The moving or towing contractor may not apply the funds to any other purpose other than relocation of the manufactured home as provided in the contract. A copy of the approval must be forwarded by the third-party neutral to the park owner with an invoice for payment of the amount specified in subdivision 12, paragraph (a).

(e) In lieu of collecting a relocation payment from the Minnesota manufactured home relocation trust fund under paragraph (a), the manufactured home owner may collect an amount from the fund after reasonable efforts to relocate the manufactured home have failed due to the age or condition of the manufactured home, or because there are no manufactured home parks willing or able to accept the manufactured home within a 25-mile radius. A manufactured home owner may tender title of the manufactured home in the manufactured home park to the manufactured home park owner, and collect an amount to be determined by an independent appraisal. The appraiser must be agreed to by both the manufactured home park owner and the manufactured home owner. The amount that may be reimbursed under the fund is a maximum of \$5,000 for a single-section, and \$9,000 for a multisection manufactured home. The manufactured home owner shall deliver to the manufactured home park owner the current certificate of title to the manufactured home duly endorsed by the owner of record, and valid releases of all liens shown on the certificate of title, and a statement from the county where the manufactured home is located evidencing that the personal property taxes have been paid. The manufactured home owner's application for funds under this paragraph must include

a document certifying that the manufactured home cannot be relocated, that the lot rental is current, that the annual \$12 payments to the Minnesota manufactured home relocation trust fund have been paid when due, that the manufactured home owner has chosen to tender title under this section, and that the park owner agrees to make a payment to the commissioner of finance in the amount established in subdivision 12, paragraph (a), less any documented costs submitted to the third-party neutral, required for demolition and removal of the home, and any debris or refuse left on the lot, not to exceed \$1,000. The manufactured home owner must also provide a copy of the certificate of title endorsed by the owner of record, and certify to the third-party neutral, with a copy to the park owner, that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the manufactured home owner, and that the home owner will vacate the home within 60 days after receipt of payment or the date of park closure, whichever is earlier, provided that the monthly lot rent is kept current.

(f) The Minnesota Housing Finance Agency must make a determination of the amount of payment a manufactured home owner would have been entitled to under a local ordinance in effect on the effective date of this section. Notwithstanding paragraph (a), the manufactured home owner's compensation for relocation costs from the fund under section 462A.40, is the greater of the amount provided under this subdivision, or the amount under the local ordinance in effect on the effective date of this section, that is applicable to the manufactured home owner.

(g) Neither the third-party neutral nor the Minnesota Housing Finance Agency shall be liable to any person for recovery if the funds in the Minnesota manufactured home relocation trust fund are insufficient to pay the amounts claimed. In such an event, the Minnesota Housing Finance Agency shall keep a record of the time and date of its approval of payment to a claimant. If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is the earliest by time and date of approval.

Sec. 5. Minnesota Statutes 2006, section 327C.095, is amended by adding a subdivision to read:

Subd. 14. **Payment adjustment for smaller manufactured home parks.** The total contribution to the fund under section 462A.40 paid by the park owner under subdivision 12, paragraph (a), must not exceed 20 percent of the sale price, or if no sale price is available, the assessed value of the manufactured home park, except that if the sale price, or, if there is no sale price, the assessed value, is:

(1) less than \$100,000, the manufactured home park owner's contribution to the fund must not exceed five percent of the sale price of the manufactured home park;

(2) less than \$200,000, the owner's contribution to the fund must not exceed eight percent of the sale price of the manufactured home park;

(3) less than \$300,000, the owner's contribution to the fund must not exceed ten percent of the sale price of the manufactured home park; and

(4) less than \$500,000, the owner's contribution to the fund must not exceed 15 percent of the sale price of the manufactured home park.

Sec. 6. Minnesota Statutes 2006, section 327C.095, is amended by adding a subdivision to read:

Subd. 15. **Preemption of local ordinances.** Sections 327C.095, subdivisions 1, 4, and 12 to 16; 462A.21, subdivision 31; and 462A.40 preempt and supersede a township, county, or statutory or

home rule charter city ordinance relating to the relocation or buyout payments paid due to a change of use or closure of manufactured home communities. A township, county, or statutory or home rule charter city must not adopt an ordinance requiring more compensation by the manufactured home park owners or its purchaser than what is provided for in this statute.

Sec. 7. Minnesota Statutes 2006, section 327C.095, is amended by adding a subdivision to read:

Subd. 16. **Advances to the Minnesota manufactured home relocation trust fund.** (a) The Minnesota Housing Finance Agency may advance funds from state appropriations or other resources to the Minnesota manufactured home relocation trust fund established under section 462A.40 in the event that funds in the Minnesota manufactured home relocation trust fund are insufficient to pay the amounts claimed under subdivision 13.

(b) The Minnesota Housing Finance Agency shall be reimbursed from the Minnesota manufactured home relocation trust fund for any money advanced by the agency under paragraph (a) to the fund. Applications for payment to manufactured home owners shall be paid prior to reimbursement of money advanced by the agency to the fund.

Sec. 8. Minnesota Statutes 2006, section 462A.21, is amended by adding a subdivision to read:

Subd. 31. **Manufactured housing relocation trust fund.** The agency may spend money for the purposes of sections 327C.095, subdivisions 12 and 13; and 462A.40 and may pay the costs and expenses necessary and incidental to the development and operation of the fund under section 462A.40.

Sec. 9. **[462A.40] MINNESOTA MANUFACTURED HOME RELOCATION TRUST FUND.**

Subdivision 1. **Establishment of fund.** The Minnesota manufactured home relocation trust fund is established as a separate account in the housing development fund. The agency may use the money from the Minnesota manufactured home relocation trust fund to make payments to manufactured home owners under section 327C.095, subdivision 13, paragraphs (a) and (e). All interest earned from the investment or deposit of money in the trust fund must be deposited in the trust fund. The Minnesota manufactured home relocation trust fund account shall consist of:

(1) payments collected from manufactured home park owners under section 327C.095, subdivision 12, paragraph (a), and subdivision 13, paragraph (e);

(2) payments collected from manufactured home owners under section 327C.095, subdivision 12, paragraph (c);

(3) interest earned on the money deposited into the trust fund; and

(4) other appropriated funds.

Subd. 2. **Expending funds.** The agency may expend the money in the Minnesota manufactured home relocation trust fund to the extent necessary to carry out the objectives of section 327C.095, subdivision 13, by making payments to manufactured home owners, or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a) and (e), and to pay the costs of administering the fund.

Sec. 10. **EXPIRATION.**

Minnesota Statutes, section 327C.095, subdivision 12, paragraph (c), expires on December 31, 2008. Minnesota Statutes, section 327C.095, subdivision 16, paragraph (a), expires on June 30, 2009.

Sec. 11. **EFFECTIVE DATE.**

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

Delete the title and insert:

"A bill for an act relating to housing; creating the Minnesota manufactured home relocation trust fund; requiring that a manufactured home park owner make specified payments to the trust fund; requiring an owner of a manufactured home who rents a lot in a manufactured home park to make an annual payment to the trust fund; amending Minnesota Statutes 2006, sections 327C.095, subdivisions 1, 4, by adding subdivisions; 462A.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A."

And when so amended the bill do pass.

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

**Senator Chaudhary from the Committee on Environment and Natural Resources, to which were referred the following appointments:**

CLEAN WATER COUNCIL

David Bennett  
Marilyn Bernhardson  
Pamela Blixt  
Earl Bukowski  
Brian Davis  
John Greer  
Delvin G. Haag  
Scott Hoese  
David P. Jeronimus  
Christopher Kolbert  
William Moore  
Gary Pedersen  
Steven Pedersen  
Louis N. Smith  
Sarah Strommen  
Deborah Swackhamer  
Paul Torkelson  
Robert Vogel

Reports the same back with the recommendation that the appointments be confirmed.

Senator Pogemiller moved that the foregoing committee report be laid on the table. The motion prevailed.

**MOTIONS AND RESOLUTIONS**

Senator Lynch moved that the name of Senator Saltzman be added as a co-author to S.F. No. 1455. The motion prevailed.

**Senator Latz introduced –**

**Senate Resolution No. 84:** A Senate resolution honoring Marsh Edelstein on his induction into the Minnesota Rock Country Hall of Fame and reception of the Lifetime Achievement Award.

Referred to the Committee on Rules and Administration.

Senator Pogemiller moved that S.F. No. 238 be taken from the table. The motion prevailed.

**S.F. No. 238:** A bill for an act relating to health; establishing public policy to protect employees and the general public from the hazards of secondhand smoke; requiring persons to refrain from smoking in certain areas; amending Minnesota Statutes 2006, sections 144.412; 144.413, subdivisions 2, 4, by adding subdivisions; 144.414; 144.416; 144.417; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2006, section 144.415.

Senator Sheran moved that the Senate do not concur in the amendments by the House to S.F. No. 238, and that a Conference Committee of 5 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.

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 Stumpf, Tomassoni and Langseth introduced–**

**S.F. No. 2274:** A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature; authorizing the issuance of state bonds; appropriating money for a grant to the city of Warroad for public facilities.

Referred to the Committee on Finance.

**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

**S.F. No. 1075:** A bill for an act relating to the State Board of Investment; requiring divestment from certain investments relating to Sudan; proposing coding for new law in Minnesota Statutes, chapter 11A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 2174:** A bill for an act relating to state government; designating the Department of Administration as the lead agency for certain purposes; amending Minnesota Statutes 2006, section 16B.055, subdivision 1; repealing Minnesota Statutes 2006, section 16B.055, subdivisions 2, 3.

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

So the bill passed and its title was agreed to.

**S.F. No. 2226:** A bill for an act relating to state government; clarifying private cemeteries; amending Minnesota Statutes 2006, section 307.08.

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

So the bill passed and its title was agreed to.

**S.F. No. 2203:** A bill for an act relating to human services; making technical changes; chemical and mental health; continuing care; health care; amending Minnesota Statutes 2006, sections 245.4874; 252.32, subdivision 3; 253B.185, subdivision 2; 254A.03, subdivision 3; 254A.16, subdivision 2; 254B.02, subdivisions 1, 5; 254B.03, subdivisions 1, 3; 254B.06, subdivision 3; 256.476, subdivisions 1, 2, 3, 4, 5, 10; 256.974; 256.9744, subdivision 1; 256B.0625, subdivisions 1a, 13c, 23; 256B.0911, subdivision 4c; 256B.0913, subdivisions 4, 5, 5a, 8, 9, 10, 11, 12, 13, 14; 256B.0919, subdivision 3; 256B.0943, subdivisions 6, 9, 11, 12; 256B.431, subdivisions 1, 3f, 17e; 256D.03, subdivision 4; 256E.35, subdivision 2; 256L.03, subdivision 5; 256L.04, subdivisions 1, 12; Laws 2000, chapter 340, section 19; Laws 2005, chapter 98, article 3, section 25; repealing Minnesota Statutes 2006, sections 252.21; 252.22; 252.23; 252.24; 252.25; 252.261; 252.275, subdivision 5; 254A.02, subdivisions 7, 9, 12, 14, 15, 16; 254A.085; 254A.086; 254A.12; 254A.14; 254A.15; 254A.16, subdivision 5; 254A.175; 254A.18; 256B.0913, subdivisions 5b, 5c, 5d, 5e, 5f, 5g, 5h; 256J.561, subdivision 1; 256J.62, subdivision 9; 256J.65; Minnesota Rules, part 9503.0035, subpart 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Gerlach                      Vandever

So the bill passed and its title was agreed to.

**S.F. No. 949:** A bill for an act relating to health occupations; requiring the issuance of a social worker license under certain circumstances.

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

So the bill passed and its title was agreed to.

**S.F. No. 1310:** A bill for an act relating to elections; clarifying certain procedures and terminology; changing or eliminating certain requirements; changing certain duties; amending Minnesota Statutes 2006, sections 103C.305, subdivision 3; 201.054, subdivision 1; 201.061, subdivision 4; 201.071, subdivisions 3, 4; 201.081; 201.091, subdivisions 1, 8; 201.27, subdivision 1; 203B.04, subdivisions 1, 4; 203B.05, subdivision 2; 203B.07, subdivision 1; 203B.08, subdivision 3; 203B.10; 204B.06, subdivision 8; 204B.08, subdivision 3; 205A.10, subdivision 1; 205A.11, subdivision 2; 206.82, subdivision 2; Laws 2004, chapter 293, article 1, section 37, subdivision 2.

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 1, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Jungbauer	Marty	Pariseau
Betzold	Fischbach	Koch	Metzen	Pogemiller
Bonoff	Foley	Koering	Michel	Prettner Solon
Carlson	Frederickson	Kubly	Moua	Rest
Chaudhary	Gerlach	Langseth	Murphy	Robling
Clark	Gimse	Larson	Neuville	Rosen
Cohen	Hann	Latz	Olseen	Rummel
Day	Higgins	Limmer	Olson, G.	Saltzman
Dille	Ingebrigtsen	Lourey	Olson, M.	Saxhaug
Doll	Johnson	Lynch	Pappas	Scheid



Senjem  
Sheran  
Sieben

Skoe  
Skogen  
Sparks

Tomassoni  
Torres Ray  
Vandevveer

Vickerman  
Wiger

Those who voted in the negative were:

Wergin

So the bill passed and its title was agreed to.

**S.F. No. 1981:** A bill for an act relating to state buildings; providing for repairs to the Elmer L. Andersen and Orville L. Freeman buildings; amending Minnesota Statutes 2006, section 16B.24, 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 61 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson  
Betzold  
Bonoff  
Carlson  
Chaudhary  
Clark  
Cohen  
Day  
Dille  
Doll  
Erickson Ropes  
Fischbach  
Foley

Frederickson  
Gerlach  
Gimse  
Hann  
Higgins  
Ingebrigtsen  
Johnson  
Jungbauer  
Koch  
Koering  
Kubly  
Langseth  
Larson

Latz  
Limmer  
Lourey  
Lynch  
Marty  
Metzen  
Michel  
Moua  
Murphy  
Neuville  
Olseen  
Olson, G.  
Olson, M.

Pappas  
Pariseau  
Pogemiller  
Prettner Solon  
Rest  
Robling  
Rosen  
Rummel  
Saltzman  
Saxhaug  
Scheid  
Senjem  
Sheran

Sieben  
Skoe  
Skogen  
Sparks  
Tomassoni  
Torres Ray  
Vickerman  
Wergin  
Wiger

Those who voted in the negative were:

Vandevveer

So the bill passed and its title was agreed to.

**S.F. No. 2041:** A bill for an act relating to energy; authorizing the St. Paul Port Authority to create a not-for-profit corporation to own or operate a steam producing facility.

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  
Berglin  
Betzold  
Bonoff  
Carlson  
Chaudhary  
Clark  
Cohen  
Day

Dille  
Doll  
Erickson Ropes  
Fischbach  
Foley  
Frederickson  
Gerlach  
Gimse  
Hann

Higgins  
Ingebrigtsen  
Johnson  
Jungbauer  
Koch  
Koering  
Kubly  
Langseth  
Larson

Latz  
Limmer  
Lourey  
Lynch  
Marty  
Metzen  
Michel  
Moua  
Murphy

Neuville  
Olseen  
Olson, G.  
Olson, M.  
Pappas  
Pariseau  
Pogemiller  
Rest  
Robling

Rosen	Scheid	Skoe	Torres Ray
Rummel	Senjem	Skogen	Vickerman
Saltzman	Sheran	Sparks	Wergin
Saxhaug	Sieben	Tomassoni	Wiger

Those who voted in the negative were:

Prettner Solon          Vandevveer

So the bill passed and its title was agreed to.

**S.F. No. 1822:** A bill for an act relating to landlord and tenant; permitting victims of domestic abuse to terminate a lease in certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 504B.

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 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Vandevveer

So the bill passed and its title was agreed to.

**S.F. No. 1298:** A bill for an act relating to elections; changing certain voter registration procedures and requirements, filing requirements, voting procedures, election day prohibitions, and ballot preparation requirements; establishing a complaint and resolution process; requiring challengers to prove residence in this state; requiring certain notices; changing a petition requirement; imposing penalties; amending Minnesota Statutes 2006, sections 201.016, subdivision 1a; 201.056; 201.061, subdivisions 1, 3, by adding a subdivision; 201.071, subdivision 1; 201.171; 203B.07, subdivision 2; 203B.081; 203B.12, subdivision 4; 203B.13, subdivisions 1, 2; 204B.09, subdivisions 1, 1a, 3; 204B.11, subdivision 2; 204B.16, subdivision 1; 204B.45, subdivisions 1, 2; 204C.06, subdivisions 1, 8; 204C.07, subdivision 3a, by adding a subdivision; 204D.09, subdivision 2; 204D.16; 205.10, by adding a subdivision; 205.13, by adding a subdivision; 205.16, subdivisions 2, 3, 4; 205A.05, by adding a subdivision; 205A.07, subdivisions 3, 3a; 206.57, subdivision 5; 206.89, subdivisions 1, 5; 211A.02, subdivision 2; 211A.05, subdivision 1; 211B.11, subdivision 1; 410.12, subdivision 1; 447.32, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 204B; repealing Minnesota Statutes 2006, sections 200.04; 201.061,

subdivision 7; 201.096; 203B.02, subdivision 1a; 203B.13, subdivision 3a.

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 40 and nays 23, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 2059:** A bill for an act relating to veterans; changing certain qualifications for service on the Minnesota Veterans Homes Board and service as the board's executive director; amending Minnesota Statutes 2006, sections 198.002, subdivision 2; 198.004, 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 1178:** A bill for an act relating to human services; establishing an advisory committee to simplify program administration; requiring studies and reports; amending Minnesota Statutes 2006, section 256.01, 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 61 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Ingebrigtsen            Vandever

So the bill passed and its title was agreed to.

**S.F. No. 1070:** A bill for an act relating to liquor; modifying liquor regulations; authorizing intoxicating liquor licenses; amending Minnesota Statutes 2006, sections 37.21, subdivisions 1, 2; 340A.301, subdivision 7; 340A.315, by adding a subdivision; 340A.404, subdivision 4a; 340A.408, subdivision 3; 340A.412, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 340A.

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 56 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dille                    Hann                    Skoe  
Doll                    Rest                    Skogen

So the bill passed and its title was agreed to.

**S.F. No. 100:** A bill for an act relating to health; establishing state policy for stem cell research; providing criminal penalties; proposing coding for new law in Minnesota Statutes, chapters 137;

145.

**CALL OF THE SENATE**

Senator Limmer imposed a call of the Senate for the balance of the proceedings on S.F. No. 100. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 100 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 38 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Lourey	Pappas	Sheran
Bakk	Doll	Lynch	Pogemiller	Sieben
Berglin	Erickson Ropes	Marty	Prettner Solon	Skoe
Betzold	Foley	Metzen	Rest	Tomassoni
Bonoff	Higgins	Michel	Rummel	Torres Ray
Carlson	Langseth	Moua	Saltzman	Wiger
Chaudhary	Larson	Murphy	Saxhaug	
Clark	Latz	Olseen	Scheid	

Those who voted in the negative were:

Day	Hann	Kubly	Robling	Vickerman
Dille	Ingebrigtsen	Limmer	Rosen	Wergin
Fischbach	Johnson	Neuville	Senjem	
Frederickson	Jungbauer	Olson, G.	Skogen	
Gerlach	Koch	Olson, M.	Sparks	
Gimse	Koering	Pariseau	Vandever	

So the bill passed and its title was agreed to.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of General Orders.

**GENERAL ORDERS**

The Senate resolved itself into a Committee of the Whole, with Senator Koering in the chair.

After some time spent therein, the committee arose, and Senator Higgins reported that the committee had considered the following:

S.F. Nos. 118, 1186 and H.F. No. 455, which the committee recommends to pass.

S.F. No. 599, which the committee recommends to pass, after the following motion:

The question was taken on the recommendation to pass S.F. No. 599.

The roll was called, and there were yeas 44 and nays 18, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Day	Gimse	Jungbauer	Neuville	Vandever
Fischbach	Hann	Koch	Pariseau	Wergin
Frederickson	Ingebrigtsen	Limmer	Robling	
Gerlach	Johnson	Michel	Senjem	

The motion prevailed. So S.F. No. 599 was recommended to pass.

H.F. No. 854, which the committee recommends to pass, subject to the following motions:

Senator Higgins moved that the amendment made to H.F. No. 854 by the Committee on Rules and Administration in the report adopted April 26, 2007, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Higgins moved to amend H.F. No. 854 as follows:

Page 7, line 7, delete "remain in" and insert "be credited to"

The motion prevailed. So the amendment was adopted.

Senator Scheid moved to amend H.F. No. 854 as follows:

Page 7, line 7, after the second period, insert "Beginning in the second program year and continuing each program year thereafter, as of the last day of each program year, the commissioner shall determine the total amount of the variable fees that were collected. To the extent that the total fees collected by the commissioner in connection with this section exceeds the amount the commissioner determines necessary to operate the program for the new program year, the commissioner shall refund on a pro rata basis, to all manufacturers who paid any fees for the previous program year, the amount of fees collected by the commissioner in excess of the amount necessary to operate the program for the new program year. No individual refund is required of amounts of \$100 or less for a fiscal year. Manufacturers who report collections less than 50 percent of their obligation for the previous program year are not eligible for a refund."

The motion prevailed. So the amendment was adopted.

Senator Frederickson moved to amend H.F. No. 854 as follows:

Page 7, line 18, delete "such" and insert "the"

The motion prevailed. So the amendment was adopted.

S.F. No. 2231, which the committee recommends to pass with the following amendment offered by Senator Erickson Ropes:

Page 5, delete section 9

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1126, which the committee recommends to pass with the following amendment offered by Senator Betzold:

Page 3, line 11, after "another" insert "felony"

The motion prevailed. So the amendment was adopted.

S.F. No. 140, which the committee recommends to pass with the following amendment offered by Senator Prettner Solon:

Page 1, line 11, delete "or" and before the period, insert ", or any other medical condition that requires immediate access to a restroom facility"

The motion prevailed. So the amendment was adopted.

S.F. No. 1312, which the committee reports progress, subject to the following motions:

Senator Chaudhary moved to amend S.F. No. 1312 as follows:

Page 5, line 2, delete everything after "terms" and insert ". A county or municipality may by ordinance impose upon resorts reasonable regulations to prevent and abate nuisances and to protect the public health, welfare, safety, and environment."

Page 5, delete line 3

Page 5, line 28, delete "the structure being" and insert "a structure that is"

Page 5, line 29, delete "the" and insert "a" and delete "thereof" and insert "that is"

Page 5, line 30, delete "being"

Page 78, line 17, delete everything after the period

Page 78, delete line 18

The motion prevailed. So the amendment was adopted.

Senator Chaudhary moved to amend S.F. No. 1312 as follows:

Page 10, after line 9, insert:

"Sec. 16. **MINNESOTA TRAVEL GREEN PROGRAM.**

(a) The director of Explore Minnesota Tourism shall collaborate with the commissioner of natural resources to develop a Minnesota travel green program to recognize tourism businesses that have made a commitment to reduce their environmental impact. A Minnesota travel green program must be a voluntary program designed to promote the Explore Minnesota brand and give the state

and hospitality business participants a marketing edge, promote smart business practices, reduce costs, educate travelers, promote Minnesota travel, and protect the environment.

(b) In developing the program, the director and the commissioner shall actively seek the ideas, advice, and participation of:

- (1) the Minnesota travel and tourism industry;
- (2) the Explore Minnesota Tourism Council;
- (3) the University of Minnesota Tourism Center;
- (4) the commissioner of the Pollution Control Agency;
- (5) the Minnesota Environmental Initiative;
- (6) the International Ecotourism Society;
- (7) Renewing The Countryside organization;
- (8) statewide lodging and hospitality associations;
- (9) private industry sponsors; and
- (10) other interested organizations.

(c) The director and the commissioner shall:

- (1) research other states' similar programs;
- (2) determine criteria that must be met in order for a business to participate in the program;
- (3) determine who will evaluate the criteria in relation to a particular business;
- (4) estimate the level of private sector partnership participation;
- (5) determine the marketing techniques that will have the most impact; and
- (6) establish a timeline and budget to get the program up and running.

(d) The director and the commissioner shall present their recommendations to the legislative committees with jurisdiction over the environment and tourism, along with draft legislation to codify the program."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Bakk moved to amend S.F. No. 1312 as follows:

Page 23, delete section 17

Renumber the sections in sequence and correct the internal references

Amend the title accordingly



The motion prevailed. So the amendment was adopted.

Senator Betzold moved to amend S.F. No. 1312 as follows:

Page 33, 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 30 and nays 26, as follows:

Those who voted in the affirmative were:

Bakk	Gimse	Langseth	Olseen	Saltzman
Betzold	Hann	Larson	Olson, G.	Senjem
Bonoff	Ingebrigtsen	Limmer	Ortman	Skoe
Clark	Johnson	Lynch	Pariseau	Tomassoni
Fischbach	Koch	Metzen	Prettner Solon	Vandever
Foley	Koering	Neuville	Rosen	Wergin

Those who voted in the negative were:

Anderson	Dille	Kubly	Rummel	Vickerman
Berglin	Doll	Lourey	Saxhaug	Wiger
Carlson	Erickson Ropes	Marty	Sieben	
Chaudhary	Frederickson	Moua	Skogen	
Cohen	Higgins	Olson, M.	Sparks	
Day	Jungbauer	Pogemiller	Torres Ray	

The motion prevailed. So the amendment was adopted.

Senator Moua moved to amend S.F. No. 1312 as follows:

Page 7, after line 13, insert:

"Sec. 10. **[114E.01] SHORT TITLE.**

This chapter may be cited as the Uniform Environmental Covenants Act.

Sec. 11. **[114E.05] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter, the definitions in this section have the meanings given.

Subd. 2. **Activity and use limitations.** "Activity and use limitations" means restrictions or obligations with respect to real property that are associated with an environmental response project.

Subd. 3. **Common interest community.** "Common interest community" means a common interest community as defined in chapter 515B.

Subd. 4. **Environmental agency.** "Environmental agency" means the Pollution Control Agency, Agriculture Department, or another state or federal agency that determines or approves the environmental response project pursuant to which the environmental covenant is created.

Subd. 5. **Environmental covenant.** "Environmental covenant" means a servitude created under

this chapter that imposes activity and use limitations.

Subd. 6. **Environmental response project.** "Environmental response project" means a plan or work performed to clean up, eliminate, investigate, minimize, mitigate, or prevent the release or threatened release of contaminants affecting real property in order to protect public health or welfare or the environment, including:

(1) response or corrective actions under federal or state law, including chapters 115B, 115C, 115E, and 116, and the Comprehensive Environmental Response, Compensation and Liability Act, United States Code, title 44, section 9601, et seq.;

(2) corrective actions or response to agricultural chemical incidents under chapters 18B, 18C, 18D, and 18E; and

(3) closure, contingency, or corrective actions required under rules or regulations applicable to waste treatment, storage, or disposal facilities or to aboveground or belowground tanks.

Subd. 7. **Holder.** "Holder" means any person identified as a holder of an environmental covenant as specified in section 114E.10, paragraph (a).

Subd. 8. **Person.** "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, political subdivision or special purpose unit of government, agency, or instrumentality of the state or federal government, or any other legal or commercial entity.

Subd. 9. **Record.** "Record," used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

Subd. 10. **Recorded.** "Recorded" means recorded with the county recorder or registrar of title, as applicable, in each county where the real property is located.

Subd. 11. **State.** "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

## Sec. 12. [114E.10] NATURE OF RIGHTS; ROLE OF ENVIRONMENTAL AGENCY; SUBORDINATION OF INTERESTS.

(a) Any person, including a person that owns an interest in the real property subject to the environmental covenant, the environmental agency, or any other political subdivision or unit of local government, may be a holder. An environmental covenant may identify more than one holder. The interest of a holder is an interest in real property. The holder is the grantee of the real property interest conveyed under an environmental covenant.

(b) Unless an environmental agency is a holder, any right that the agency may have with respect to an environmental covenant does not constitute an interest in real property. Approval of an environmental covenant does not make the environmental agency a holder unless it has authority under law other than this chapter to acquire an interest in real property for purposes related to an environmental response project and it is expressly identified as a holder in the environmental covenant.

(c) An environmental agency is bound by any obligation it assumes in an environmental

covenant, but an environmental agency does not assume obligations merely by signing an environmental covenant. As provided in section 114E.15, an environmental covenant is not valid unless signed by the environmental agency and the environmental agency may set reasonable conditions for its approval of an environmental covenant. When the environmental agency is a federal agency, the covenant must also be approved and signed by the state environmental agency that has authority under state law to address the release or threatened release involved in the environmental response project. Any other person that signs an environmental covenant is bound by the obligations the person expressly assumes in the covenant, but signing the covenant does not change obligations, rights, or protections granted or imposed under law other than this chapter except as provided in the covenant.

(d) The following rules apply to interests in real property in existence at the time an environmental covenant is created or amended:

(1) an interest that has priority under other law is not affected by an environmental covenant unless the person that owns the interest subordinates that interest to the covenant;

(2) this chapter does not require a person that owns a prior interest to subordinate that interest to an environmental covenant or to agree to be bound by the covenant;

(3) a subordination agreement may be contained in an environmental covenant or in a separate record that is recorded. If the environmental covenant covers commonly owned property in a common interest community, the environmental covenant or the subordination agreement may be signed by any person authorized by the governing board of the owners' association; and

(4) an agreement by a person to subordinate a prior interest to an environmental covenant affects the priority of that person's interest but does not by itself impose any affirmative obligation on the person with respect to the environmental covenant.

### **Sec. 13. [114E.15] CONTENTS OF ENVIRONMENTAL COVENANT.**

(a) An environmental covenant must:

(1) state on its first page that the instrument is an environmental covenant executed pursuant to this chapter;

(2) contain a legally sufficient description of the real property subject to the covenant;

(3) describe the activity and use limitations on the real property;

(4) identify every holder;

(5) be signed and acknowledged by the environmental agency, every holder, and every owner of the fee simple title to the real property subject to the covenant; and

(6) identify the name and location of any administrative record for the environmental response project reflected in the environmental covenant.

(b) In addition to the information required by paragraph (a), an environmental covenant may contain other information, restrictions, and requirements agreed to by the persons who signed it, including any:

(1) requirements for notice of any transfer of a specified interest in, or concerning proposed changes in use of, applications for building permits for, or proposals for any site work affecting the contamination or the environmental response project on, the real property subject to the covenant;

(2) requirements for periodic reporting describing compliance with the covenant;

(3) rights of access to the real property granted in connection with implementation or enforcement of the covenant;

(4) a brief narrative description of the contamination and environmental response project, including the contaminants of concern, the pathways of exposure, limits on exposure, and the location and extent of the contamination;

(5) limitation on amendment or termination of the covenant in addition to those contained in sections 114E.40 and 114E.45;

(6) rights of the holder in addition to its right to enforce the covenant pursuant to section 114E.50; and

(7) waiver of a party's right to consent to the amendment or termination of a covenant under section 114E.45, paragraph (a), clause (3).

(c) The environmental agency may set reasonable conditions for its approval of an environmental covenant, including:

(1) requiring that persons specified by the agency that have interests in the real property also sign the covenant;

(2) requiring that a person who holds a prior interest in the real property subject to the covenant agree to subordinate that interest where applicable; and

(3) requiring the inclusion within the text of the covenant information, restrictions, or requirements as described in paragraph (b).

**Sec. 14. [114E.20] VALIDITY; EFFECT ON OTHER INSTRUMENTS.**

(a) An environmental covenant created under this chapter runs with the land.

(b) An environmental covenant that is otherwise effective is valid and enforceable even if:

(1) it is not appurtenant to an interest in real property;

(2) it can be or has been assigned to a person other than the original holder;

(3) it is not of a character that has been recognized traditionally at common law;

(4) it imposes a negative burden;

(5) it imposes an affirmative obligation on a person having an interest in the real property or on the holder;

(6) the benefit or burden does not touch or concern real property;

(7) there is no privity of estate or contract;

(8) the holder dies, ceases to exist, resigns, or is replaced; or

(9) the owner of an interest in the real property subject to the environmental covenant and the holder are the same person.

(c) Any instrument that imposes activity and use limitations, including any conservation easement, declaration, restrictive covenant, or similar instrument created before the effective date of this chapter remains valid and enforceable as provided in the law under which it was created. This chapter does not apply in any other respect to such an instrument.

(d) This chapter does not invalidate or render unenforceable any interest, whether designated as an environmental covenant or other interest, that is otherwise enforceable under the law of this state.

**Sec. 15. [114E.25] RELATIONSHIP TO OTHER LAND USE LAW.**

(a) This chapter does not authorize a use of real property that is otherwise prohibited by zoning, by law other than this chapter regulating use of real property, or by a recorded instrument that has priority over the environmental covenant.

(b) An environmental covenant may prohibit or restrict uses of real property which are authorized by zoning or by law other than this chapter.

(c) An environmental agency that exercises authority under law other than this chapter to require as part of an environmental response project the performance of a response or corrective action that would not otherwise be an authorized use of real property under zoning or other real property law or prior recorded instruments may include such requirement as an affirmative obligation in an environmental covenant.

**Sec. 16. [114E.30] NOTICE.**

(a) A copy of an environmental covenant, and any amendments or notices of termination thereof, must be provided by the persons and in the manner required by the environmental agency to:

(1) each person that signed the covenant or their successor or assign;

(2) each person holding a recorded interest in the real property subject to the covenant;

(3) each person in possession of the real property subject to the covenant;

(4) each political subdivision in which real property subject to the covenant is located; and

(5) any other person the environmental agency requires.

(b) The validity of a covenant is not affected by failure to provide a copy of the covenant as required under this section.

**Sec. 17. [114E.35] RECORDING.**

(a) An environmental covenant and any amendment or termination of the covenant must be recorded with the county recorder or registrar of titles, as applicable, in every county in which any portion of the real property subject to the covenant is located. For purposes of indexing, a holder shall be treated as a grantee.

(b) Except as otherwise provided in section 114E.40, paragraph (f), an environmental covenant

is subject to the laws of this state governing recording and priority of interests in real property.

**Sec. 18. [114E.40] DURATION; MODIFICATION OR TERMINATION BY ADMINISTRATIVE OR COURT ACTION.**

(a) An environmental covenant is perpetual unless it is:

(1) by its terms, limited to a specific duration or terminated by the occurrence of a specific event;

(2) terminated by consent pursuant to section 114E.45;

(3) terminated pursuant to paragraph (b) or (e);

(4) terminated by foreclosure of an interest that has priority over the environmental covenant; or

(5) terminated or modified in an eminent domain proceeding, but only if:

(i) the environmental agency that signed the covenant is a party to the proceeding;

(ii) all persons identified in paragraph (c) are given notice of the pendency of the proceeding;  
and

(iii) the court determines, after hearing, that the activity and use limitations subject to termination or modification are no longer required to protect public health or welfare or the environment.

(b) The environmental agency that approved an environmental covenant may determine whether to terminate or reduce the burden on the real property of the covenant if the agency determines that some or all of the activity and use limitations under the covenant are no longer required to protect public health or welfare or the environment or modify the covenant if the agency determines that modification is required to adequately protect public health or welfare or the environment.

(c) The environmental agency shall provide notice of any proposed action under paragraph (b) to each person with a current recorded interest in the real property subject to the environmental covenant, each holder, all other persons who originally signed the environmental covenant, or their successors or assigns, and any other person with rights or obligations under the covenant. The environmental agency shall provide 30 days for comment on the proposed action by parties entitled to notice. Any person entitled to notice under this paragraph may request a contested case under chapter 14 by making the request in writing within the 30-day comment period. A determination by an environmental agency under this paragraph is a final agency decision subject to judicial review in the same manner as provided in sections 14.63 to 14.68 or under applicable federal law.

(d) Any person entitled to notice under paragraph (c) may apply in writing to the environmental agency for a determination under paragraph (b) that an existing covenant be terminated, that the burden of a covenant be reduced, or that the covenant be modified. The application must specify the determination sought by the applicant, the reasons why the environmental agency should make the determination, and the information which would support it. If the environmental agency fails to commence a proceeding under paragraph (b) within 60 days of receipt of the application, the applicant may bring a de novo action in the district court for termination, reduction of burden, or modification of the environmental covenant pursuant to paragraph (e).

(e) The district court for the county in which the real property subject to an environmental covenant is located may, under the doctrine of changed circumstances, terminate the covenant,

reduce its burden on the real property, or modify its terms in a de novo action if an environmental agency fails to commence a proceeding within 60 days as provided under paragraph (d). The applicant under paragraph (d), any party to the environmental covenant, or any other person identified in paragraph (c) may commence an action under this paragraph. The person commencing the action shall serve notice of the action on the environmental agency and any person entitled to notice under paragraph (c). The court shall terminate, reduce the burden of, or modify the environmental covenant if the court determines that the person bringing the action shows that some or all of the activity and use limitations under the covenant do not, or are no longer required to, protect public health or welfare or the environment.

(f) An environmental covenant may not be extinguished, limited, or impaired through issuance of a tax deed, foreclosure of a tax lien, or application of the doctrine of adverse possession, prescription, abandonment, waiver, lack of enforcement, or acquiescence, or a similar doctrine.

(g) An environmental covenant may not be extinguished, limited, or impaired by application of section 500.20 or 541.023.

**Sec. 19. [114E.45] AMENDMENT OR TERMINATION BY CONSENT.**

(a) An environmental covenant may be amended or terminated by consent only if the amendment or termination is signed by:

(1) the environmental agency;

(2) the current owner of the fee simple title to the real property subject to the covenant;

(3) every other original signatory to the covenant, or their successor or assign, unless:

(i) the person waived the right to consent to termination or modification in the environmental covenant or another signed and acknowledged record that is recorded;

(ii) the person fails to object to the amendment or termination within 60 days after a notice requesting the person's consent to amendment or termination was mailed by certified mail, return receipt requested, to the person's last known address, as obtained from the United States Postal Service; or

(iii) a court finds that the person no longer exists or cannot be located or identified with the exercise of reasonable diligence; and

(4) each holder, except as otherwise provided in paragraph (d).

Any person may establish that the notice described in clause (3), item (ii), was properly mailed by recording an affidavit to that effect from a person having knowledge of the facts, and a certified copy of the recorded affidavit shall be prima facie evidence of the facts stated therein.

(b) If an interest in real property is subject to an environmental covenant, the interest is not affected by an amendment of the covenant unless the current owner of the interest consents to the amendment or has waived in the environmental covenant or other signed record the right to consent to amendments.

(c) Except for an assignment undertaken pursuant to a governmental reorganization, or as otherwise provided in the environmental covenant, assignment of an environmental covenant to

a new holder is an amendment.

(d) Except as otherwise provided in paragraph (c) or in an environmental covenant:

(1) a holder may not assign its interest without consent of the other parties specified in paragraph (a);

(2) a holder may be removed and replaced by agreement of the other parties specified in paragraph (a); and

(3) a court of competent jurisdiction may fill a vacancy in the position of holder.

**Sec. 20. [114E.50] ENFORCEMENT OF ENVIRONMENTAL COVENANT.**

(a) A civil action for injunctive or other equitable relief for violation of an environmental covenant may be maintained by:

(1) a party to the covenant, including all holders;

(2) the environmental agency that signed the covenant;

(3) any person to whom the covenant expressly grants power to enforce;

(4) a person whose interest in the real property or whose collateral or liability may be affected by the alleged violation of the covenant; or

(5) a political subdivision in which the real property subject to the covenant is located.

(b) The state environmental agency that signed the covenant may use any remedy or enforcement measure provided in section 115.071, subdivisions 3 to 5, or 116.072 to remedy violations of a covenant. This paragraph does not limit the state environmental agency from taking action to enforce the terms of a covenant against a person required to comply with the covenant in connection with that person's obligation to perform response actions or as a condition of receiving a liability assurance with respect to a release or threatened release of contaminants.

(c) This chapter does not limit the regulatory authority of the environmental agency under law other than this chapter with respect to an environmental response project.

(d) A person is not responsible for or subject to liability arising from a release or threatened release of contamination into the environment, or for remediation costs attendant thereto, solely because it has signed, holds rights to, or otherwise has the right to enforce an environmental covenant.

**Sec. 21. [114E.60] UNIFORMITY OF APPLICATION AND CONSTRUCTION.**

In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

**Sec. 22. [114E.65] RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.**

This chapter modifies, limits, or supersedes the federal Electronic Signatures in Global and National Commerce Act, United States Code, title 15, section 7001 et seq., but does not modify, limit, or supersede section 101 of that act, United States Code, title 15, section 7001(a), or authorize



electronic delivery of any of the notices described in section 103 of that act, United States Code, title 15, section 7003(b).

Sec. 23. Minnesota Statutes 2006, section 115.072, is amended to read:

**115.072 RECOVERY OF LITIGATION COSTS AND EXPENSES.**

In any action brought by the attorney general, in the name of the state, pursuant to the provisions of this chapter and chapters 114C, 114E, and 116, for civil penalties, injunctive relief, or in an action to compel compliance, if the state shall finally prevail, and if the proven violation was willful, the state, in addition to other penalties provided in this chapter, may be allowed an amount determined by the court to be the reasonable value of all or a part of the litigation expenses incurred by the state. In determining the amount of such litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.

Amounts recovered under the provisions of this section and section 115.071, subdivisions 3 to 5, shall be paid into the environmental fund in the state treasury to the extent provided in section 115.073.

Sec. 24. Minnesota Statutes 2006, section 115B.17, subdivision 15, is amended to read:

Subd. 15. **Acquisition of property.** The agency may acquire, by purchase or donation, an interest in real property, including easements, restrictive environmental covenants under chapter 114E, and leases, that the agency determines are necessary for response action. The validity and duration of a restrictive covenant or nonpossessory easement acquired under this subdivision shall be determined in the same manner as the validity and duration of a conservation easement under chapter 84C, unless the duration is otherwise provided in the agreement. The agency may acquire an easement by condemnation only if the agency is unable, after reasonable efforts, to acquire an interest in real property by purchase or donation. The provisions of chapter 117 govern condemnation proceedings by the agency under this subdivision. A donation of an interest in real property to the agency is not effective until the agency executes a certificate of acceptance. The state is not liable under this chapter solely as a result of acquiring an interest in real property under this subdivision. Agency approval of an environmental covenant under chapter 114E is sufficient evidence of acceptance of an interest in real property where the agency is expressly identified as a holder in the covenant."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1312 was then progressed.

S.F. No. 1398, which the committee reports progress, subject to the following motion:

Senator Marty moved to amend S.F. No. 1398 as follows:

Page 1, line 21, after "visitation" insert "and the right to visitation"

Page 1, delete line 22

Page 2, delete lines 14 to 24 and insert:

"(d) For purposes of this subdivision, "domestic partner" means one adult who has entered into a committed interdependent relationship with another adult where the partners:

(1) are responsible for each other's basic common welfare;

(2) share a common residence and intend to do so indefinitely;

(3) are not related by blood or adoption to an extent that would prohibit marriage in this state;  
and

(4) are legally competent and qualified to enter into a contract.

For purposes of clause (2), domestic partners may share a common residence, even if they do not each have a legal right to possess the residence or one or both domestic partners possess additional real property. If one domestic partner temporarily leaves the common residence with the intention to return, the domestic partners continue to share a common residence for the purposes of this subdivision. The patient or the patient's family may also identify an adult as a domestic partner regardless of whether the criteria in this paragraph are satisfied.

"Patient" includes a person who meets the definition in subdivision 2, regardless of how long the person has been admitted to a facility, and includes a person who is being transported to an acute care inpatient facility by an emergency medical or ambulance service or who is receiving diagnosis or treatment in an emergency admissions portion of a facility."

The motion prevailed. So the amendment was adopted.

S.F. No. 1398 was then progressed.

On motion of Senator Pogemiller, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### **CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 12, Senator Sheran moved that the following members be excused for a Conference Committee on S.F. No. 1989 at 1:25 p.m.:

Senators Pappas, Sheran, Latz, Robling and Michel. The motion prevailed.

### **CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 12, Senator Berglin moved that the following members be excused for a Conference Committee on S.F. No. 2171 at 1:45 p.m.:

Senators Berglin, Lynch, Lourey, Doll and Prettnner Solon. The motion prevailed.

### **MOTIONS AND RESOLUTIONS - CONTINUED**

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate

reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

### REPORTS OF COMMITTEES

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

**Senator Pogemiller from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,**

**S.F. No. 1764:** A bill for an act relating to the environment; requiring commissioner of natural resources and director of Explore Minnesota Tourism to develop a travel green program; requiring a report.

Reports the same back with the recommendation that the report from the Committee on Commerce and Consumer Protection, shown in the Journal for April 19, 2007, be adopted; that committee recommendation being:

"the bill do pass". Report adopted.

**Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred**

**S.F. No. 1971:** A bill for an act relating to transportation; modifying provisions relating to department activities, data classification, eminent domain, school transportation, highways, commercial vehicles, highway construction contracting, transportation research, bridge inspection, special mobile equipment, motor vehicles, traffic regulations, towing, transport of hazardous materials, recreational vehicle combinations, parking violations, drivers' licenses and identification cards, vehicle length and weight, pavement analysis, special transportation services, and motor carriers; creating position of state rail inspector; establishing rail walkways requirements; changing statutory surcharge; creating task forces; requiring reports; providing penalties; appropriating money; amending Minnesota Statutes 2006, sections 3.8841, subdivision 8; 13.72, by adding subdivisions; 117.041, by adding a subdivision; 117.51; 117.52, subdivision 1a; 123B.88, subdivision 12; 123B.90, subdivision 2; 160.02, subdivision 19, by adding a subdivision; 161.115, subdivision 76; 161.14, subdivision 18, by adding subdivisions; 161.32, subdivisions 1, 1b, 4; 161.53; 165.01; 165.03; 168.011, subdivision 22; 168A.151, subdivision 1; 168A.153; 168B.04, subdivision 2; 169.01, subdivisions 6, 19, 20, 78, by adding subdivisions; 169.041, subdivisions 1, 2; 169.06, subdivision 5; 169.34; 169.443, by adding a subdivision; 169.447, subdivision 2; 169.4501, subdivisions 1, 2; 169.4502, subdivision 5; 169.4503, subdivisions 13, 20; 169.471; 169.685, subdivisions 5, 6; 169.686, subdivision 1; 169.781; 169.782, subdivision 1; 169.783, subdivision 1; 169.81, subdivision 2; 169.823, subdivision 1; 169.824, subdivision 2; 169.829, subdivision 2; 169.86, by adding a subdivision; 169.864, subdivisions 1, 2; 171.01, by adding a subdivision; 171.02, subdivisions 1, 2, 2a; 171.05, subdivision 2b; 171.055, subdivision 2; 171.06, subdivision 3; 171.07, subdivisions 1, 3; 171.321, subdivision 4; 174.03, by adding subdivisions; 174.30, subdivisions 4, 9; 218.041, subdivision 6; 221.011, subdivision 49; 221.031, subdivision 6; 221.0314, subdivision 9, by adding a subdivision; 221.033, subdivision 2d; 221.037, subdivision 1;

221.231; 221.60, subdivision 1, by adding a subdivision; 222.50, subdivision 7; 222.63, subdivision 4, by adding a subdivision; 357.021, subdivision 6; 473.1466; Laws 2005, First Special Session chapter 1, article 4, section 39; proposing coding for new law in Minnesota Statutes, chapters 160; 161; 174; 219; repealing Minnesota Statutes 2006, sections 161.115, subdivision 193; 169.4502, subdivision 15; 169.4503, subdivisions 17, 18, 26; 169.796, subdivision 3; 221.60, subdivisions 2, 3, 3a; 221.601; 221.602; Laws 2005, First Special Session chapter 6, article 3, section 91.

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

**Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred**

**S.F. No. 1540:** A bill for an act relating to public safety; adding legislators as nonvoting members of the Gang and Drug Oversight Council and the Financial Crimes Oversight Council; requiring annual reports from the Financial Crimes Oversight Council; amending Minnesota Statutes 2006, sections 299A.641, subdivision 2; 299A.681, subdivision 2, by adding a subdivision.

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

**Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred**

**S.F. No. 2126:** A bill for an act relating to transportation; creating Congestion Reduction Task Force; requiring report.

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

Page 1, line 17, delete "two" and insert "four"

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

**Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred**

**S.F. No. 1753:** A bill for an act relating to airports; creating an advisory task force to study airport funding issues and the state airports fund; requiring a report; appropriating money.

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

Page 2, line 23, after "for" insert "nonvoting"

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

**Senator Pogemiller from the Committee on Rules and Administration, to which was re-referred**

**S.F. No. 1360:** A bill for an act relating to game and fish; adding legislative members to the Game and Fish Oversight Committee; amending Minnesota Statutes 2006, section 97A.055, subdivision 4b.

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

Delete everything after the enacting clause and insert:

"Section 1. **GAME AND FISH BUDGETARY OVERSIGHT COMMITTEE.**

The senate Subcommittee on Committees of the Committee on Rules and Administration and the speaker of the house of representatives shall each appoint one member of their respective bodies to serve as a member of the Game and Fish Budgetary Oversight Committee appointed under Minnesota Statutes, section 97A.055, subdivision 4b, paragraph (c). The appointments must be made no later than September 1, 2007. The terms of the members appointed under this section expire June 30, 2009."

Delete the title and insert:

"A bill for an act relating to game and fish; adding legislative members to the Game and Fish Budgetary Oversight Committee until June 30, 2009."

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. 971:** A bill for an act relating to human services; requiring the commissioner of human services to provide notice when a prescription drug is removed from the formulary; amending Minnesota Statutes 2006, section 256B.0625, subdivision 13d.

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 256B.0625, subdivision 13d, is amended to read:

Subd. 13d. **Drug formulary.** (a) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the Formulary Committee shall review and comment on the formulary contents.

(b) The formulary shall not include:

- (1) drugs or products for which there is no federal funding;
- (2) over-the-counter drugs, except as provided in subdivision 13;
- (3) drugs used for weight loss, except that medically necessary lipase inhibitors may be covered for a recipient with type II diabetes;
- (4) drugs when used for the treatment of impotence or erectile dysfunction;
- (5) drugs for which medical value has not been established; and
- (6) drugs from manufacturers who have not signed a rebate agreement with the Department of Health and Human Services pursuant to section 1927 of title XIX of the Social Security Act.

(c) If a single-source drug used by at least two percent of the fee-for-service medical assistance recipients is removed from the formulary due to the failure of the manufacturer to sign a rebate agreement with the Department of Health and Human Services, the commissioner shall notify

prescribing practitioners within 30 days of receiving notification from the Centers for Medicare and Medicaid Services (CMS) that a rebate agreement was not signed.

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

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. 345:** A bill for an act relating to health; providing for the medical use of marijuana; providing civil and criminal penalties; appropriating money; amending Minnesota Statutes 2006, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 152.

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

Page 2, line 20, before "licensed" insert "Minnesota" and after the second "a" insert "Minnesota"

Page 2, line 21, after "a" insert "Minnesota licensed"

Page 2, line 22, delete "an" and insert "a Minnesota licensed"

Page 3, line 6, before the period, insert "and must be reviewed by the practitioner every three months"

Page 4, line 7, after "caregiver" insert "who is not a registered organization"

Page 4, delete line 8 and insert "reimbursement from a registered qualifying patient for costs associated with assisting with that patient's"

Page 4, line 23, delete "(a)"

Page 4, delete lines 27 to 30

Page 5, line 31, delete ", if any" and after the period, insert "A qualifying patient may name a maximum of two primary caregivers, one of whom must be a registered organization. For the registered organization designated, the name and address of the registered organization must be submitted."

Page 6, line 17, delete ", up to" and insert ". If the primary caregiver named by the qualifying patient is a registered organization, a registry identification card shall be provided under section 152.31, subdivision 2."

Page 6, delete lines 18 and 19

Page 6, line 20, after "card" insert "under paragraphs (a) and (d)"

Page 6, line 26, delete "any" and insert "the primary caregiver is not a registered organization"

Page 10, line 10, delete everything after the period

Page 10, line 11, delete "although it may" and insert "A registered organization shall"

Page 10, line 12, after the period, insert "A registered organization may not possess an amount of

marijuana that exceeds 12 marijuana plants and 2.5 ounces of usable marijuana for each registered qualifying patient who has designated the registered organization as a primary caregiver."

Page 13, delete section 10

Page 14, line 1, delete "\$....." and insert "\$401,000" and delete "\$....." and insert "\$680,000"

Page 14, line 2, delete "medical marijuana account in the" and insert "state government"

Page 14, line 4, after the period, insert "All fees, fines, and other money collected by the commissioner of health under sections 152.22 to 152.31, shall be deposited into the state government special revenue fund."

Page 14, line 6, delete "11" and insert "10"

Renumber the sections accordingly

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

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

**H.F. No. 1048:** A bill for an act relating to state government; abolishing the Department of Employee Relations; transferring duties; providing certain protections for employees.

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

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

**S.F. No. 1933:** A bill for an act relating to public finance; providing terms and conditions related to the issuance of obligations and the financing of public improvements and services; extending the time for certain publications of notices; amending Minnesota Statutes 2006, sections 118A.03, subdivision 3; 123B.61; 204B.46; 331A.05, subdivision 2; 365A.02; 365A.04; 365A.08; 365A.095; 373.01, subdivision 3; 375B.09; 383B.117, subdivision 2; 410.32; 412.301; 428A.02, subdivision 1; 453A.02, subdivision 3; 473.39, by adding a subdivision; 475.58, subdivision 3b; proposing coding for new law in Minnesota Statutes, chapter 475.

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 118A.03, subdivision 3, is amended to read:

Subd. 3. **Amount.** The total amount of the collateral computed at its market value shall be at least ten percent more than the amount on deposit ~~plus accrued interest~~ at the close of the financial institution's banking day, except that where the collateral is irrevocable standby letters of credit issued by Federal Home Loan Banks, the amount of collateral shall be at least equal to the amount on deposit ~~plus accrued interest~~ at the close of the financial institution's banking day. The financial institution may furnish both a surety bond and collateral aggregating the required amount.

Sec. 2. Minnesota Statutes 2006, section 123B.61, is amended to read:

**123B.61 PURCHASE OF CERTAIN EQUIPMENT.**

The board of a district may issue general obligation certificates of indebtedness or capital notes subject to the district debt limits to: (a) purchase vehicles, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, and other capital equipment having an expected useful life at least as long as the terms of the certificates or notes; (b) purchase computer hardware and software, without regard to its expected useful life, whether bundled with machinery or equipment or unbundled, together with application development services and training related to the use of the computer; and (c) prepay special assessments. The certificates or notes must be payable in not more than ~~five~~ ten years and must be issued on the terms and in the manner determined by the board, except that certificates or notes issued to prepay special assessments must be payable in not more than 20 years. The certificates or notes may be issued by resolution and without the requirement for an election. The certificates or notes are general obligation bonds for purposes of section 126C.55. A tax levy must be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds. The sum of the tax levies under this section and section 123B.62 for each year must not exceed the lesser of the amount of the district's total operating capital revenue or the sum of the district's levy in the general and community service funds excluding the adjustments under this section for the year preceding the year the initial debt service levies are certified. The district's general fund levy for each year must be reduced by the sum of (1) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the certificates or notes issued under this section as required by section 475.61, (2) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on bonds issued under section 123B.62, and (3) any excess amount in the debt redemption fund used to retire bonds, certificates, or notes issued under this section or section 123B.62 after April 1, 1997, other than amounts used to pay capitalized interest. If the district's general fund levy is less than the amount of the reduction, the balance shall be deducted first from the district's community service fund levy, and next from the district's general fund or community service fund levies for the following year. A district using an excess amount in the debt redemption fund to retire the certificates or notes shall report the amount used for this purpose to the commissioner by July 15 of the following fiscal year. A district having an outstanding capital loan under section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an excess amount in the debt redemption fund to retire the certificates or notes.

Sec. 3. Minnesota Statutes 2006, section 331A.05, subdivision 2, is amended to read:

Subd. 2. **Time of notice.** Unless otherwise specified by a ~~particular statute~~ law, or by order of a court, publication of a public notice shall be as follows:

- (a) the notice shall be published once;
- (b) if the notice is intended to inform the public about a future event, the last publication shall occur not more than ~~14~~ 30 days and not less than seven days before the event;
- (c) if the notice is intended to inform the public about a past action or event, the last publication shall occur not more than 45 days after occurrence of the action or event.

Sec. 4. Minnesota Statutes 2006, section 365A.02, is amended to read:

**365A.02 ~~DEFINITION~~ DEFINITIONS.**

Subdivision 1. Subordinate service district. "Subordinate service district" means a defined



area within the town in which ~~one or more governmental services or additions to townwide special services are provided by the town specially for the area and financed from revenues from the area.~~ The boundaries of a single subordinate service district may not embrace an entire town.

Subd. 2. **Special services.** "Special services" means one or more governmental services or additions to townwide services provided by the town specially for the area and financed from revenues from the area.

Sec. 5. Minnesota Statutes 2006, section 365A.04, is amended to read:

**365A.04 CREATION ~~BY~~ PETITION.**

Subdivision 1. **Petition.** A petition signed by at least 50 percent of the property owners in the part of the town proposed for the subordinate service district may be submitted to the town board requesting the establishment of a subordinate service district to provide a service that the town is otherwise authorized by law to provide. The petition must include the territorial boundaries of the proposed district and specify the kinds of services to be provided within the district.

Subd. 1a. **Creation by town board.** The town board may establish a subordinate service district in a portion of the town by adoption of a resolution, subject to the requirements of subdivision 2.

Subd. 2. **Public hearing.** Upon receipt of the petition, and the verification of the signatures by the town clerk or prior to adoption of the resolution specified in subdivision 1a, the town board shall, within 30 days following verification or prior to adoption of the resolution specified in subdivision 1a, hold a public hearing on the question of whether or not the requested district shall be established. The notice of public hearing must specify the special services to be provided within the subordinate service district and must specify the territorial boundaries of the requested district. The notice of public hearing must be published once in a newspaper of general circulation in the town at least 14 days prior to the date of the public hearing.

Subd. 3. **Approval; disapproval.** Within 30 days after the public hearing, the town board by resolution shall approve or disapprove the establishment of the requested district. An approving resolution must specify the special services to be provided within the subordinate service district and must specify the territorial boundaries of the district. A resolution approving the establishment of the district may contain amendments or modifications of the district's boundaries or functions as set forth in the petition or the resolution specified in subdivision 1a.

Sec. 6. Minnesota Statutes 2006, section 365A.08, is amended to read:

**365A.08 FINANCING.**

Subdivision 1. **Budget.** (a) Upon adoption of the next annual budget following the creation of a subordinate service district the town board shall include in the budget appropriate provisions for the operation of the district including either a property tax levied only on property of the users of the service within the boundaries of the district or a levy of a service charge against the users of the service within the district, or a combination of a property tax and a service charge on the users of the service.

(b) A tax or service charge or a combination of them may be imposed to finance a function or service in the district that the town ordinarily provides throughout the town only to the extent that there is an increase in the level of the function or service provided in the service district over

that provided throughout the town. In that case, in addition to the townwide tax levy, an amount necessary to pay for the increase in the level of the function or service may be imposed in the district.

Subd. 2. **Bonds.** At any time after the requirements of section 356A.06 have been met and the subordinate service district created, the town board may issue obligations in an amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making capital improvements necessary to operate the subordinate service district and provide the special services in the district, including every item of cost from inception to completion and all fees and expenses incurred in connection with the capital improvements or the financing. The obligations are payable primarily out of the proceeds of the taxes and service charges imposed under subdivision 1, net revenues as described in section 444.075, and special assessments under chapter 429. The town board may by resolution pledge the full faith credit and taxing power of the town to ensure payment of the principal and interest on the obligations if the proceeds of the taxes and service charges are insufficient to pay the principal and interest. Obligations must be issued in accordance with chapter 475, except that an election is not required, and the amount of the obligations is not included in determining the net indebtedness of the town under the provisions of any law limiting indebtedness.

Subd. 3. **Covenants to secure obligations.** In resolutions authorizing the issuance of general or special obligations and pledging taxes and service charges imposed under subdivision 1, net revenues, or special assessments to their payment, the town board may make covenants for the protection of holders of the obligations and taxpayers of the town as it deems necessary, including a covenant that the town will impose and collect charges of the nature authorized by this chapter at the time and in the amounts required to produce, together with any taxes or special assessments designated as a primary source of payment of the obligations, funds adequate to pay all principal and interest when due on the obligations, and to create and maintain reserves securing the payments as may be provided in the resolutions.

Sec. 7. Minnesota Statutes 2006, section 365A.095, is amended to read:

**365A.095 PETITION FOR REMOVAL OF DISTRICT; PROCEDURE.**

Subdivision 1. **Petition.** A petition signed by at least 75 percent of the property owners in the territory of the subordinate service district requesting the removal of the district may be presented to the town board. Within 30 days after the town board receives the petition, the town clerk shall determine the validity of the signatures on the petition. If the requisite number of signatures are certified as valid, the town board must hold a public hearing on the petitioned matter. Within 30 days after the end of the hearing, the town board must decide whether to discontinue the subordinate service district, continue as it is, or take some other action with respect to it.

Subd. 2. **Bonds.** If obligations have been issued for the benefit of the subordinate service district, the rates, charges, and tax levies, if any, shall continue until the obligations and any obligations issued to refund them have been paid in full.

Sec. 8. Minnesota Statutes 2006, section 373.01, subdivision 3, is amended to read:

Subd. 3. **Capital notes.** (a) A county board may, by resolution and without referendum, issue capital notes subject to the county debt limit to purchase capital equipment useful for county purposes that has an expected useful life at least equal to the term of the notes. The notes shall be payable in not more than ten years and shall be issued on terms and in a manner the board determines. A tax levy shall be made for payment of the principal and interest on the notes, in

accordance with section 475.61, as in the case of bonds.

(b) For purposes of this subdivision, "capital equipment" means:

- (1) public safety, ambulance, road construction or maintenance, and medical equipment; and
- (2) computer hardware and software, whether bundled with machinery or equipment or unbundled. ~~The authority to issue capital notes for software expires on July 1, 2007.~~

Sec. 9. Minnesota Statutes 2006, section 375B.09, is amended to read:

### **375B.09 FINANCING.**

Subdivision 1. **Budget.** (a) Upon adoption of the next annual budget following the creation of a subordinate service district the county board shall include in the budget appropriate provisions for the operation of the district including, as appropriate, either a property tax levied only on property within the boundaries of the district or a levy of a service charge against the users of the service within the district, or any combination of a property tax and a service charge.

(b) A tax or service charge or a combination thereof shall not be imposed to finance a function or service in the subordinate service district which the county generally provides throughout the county unless an increase in the level of the service is to be supplied in the subordinate service district in which case, in addition to the countywide tax levy, only an amount necessary to pay for the increased level of service may be imposed.

Subd. 2. **Bonds.** At any time after the requirements of section 375B.07 have been met and the subordinate service district created, the county board may issue obligations in an amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making capital improvements necessary to operate the subordinate service district and provide the special services in the district, including every item of cost from inception to completion and all fees and expenses incurred in connection with the capital improvements or the financing. The obligations shall be payable primarily out of the proceeds of the taxes and service charges imposed pursuant to subdivision 1, net revenues as described in section 444.075, and special assessments under chapter 429. The county board may by resolution pledge the full faith credit and taxing power of the county to ensure payment of the principal and interest on the obligations if the proceeds of the taxes and service charges are insufficient to pay the principal and interest. Obligations must be issued in accordance with chapter 475, except that an election is not required, and the amount of the obligations is not included in determining the net indebtedness of the county under the provisions of any law limiting indebtedness.

Subd. 3. **Covenants to secure obligations.** In resolutions authorizing the issuance of general or special obligations and pledging taxes and service charges imposed under subdivision 1, net revenues, or special assessments to their payment, the county board may make covenants for the protection of holders of the obligations and taxpayers of the county as it deems necessary, including a covenant that the county will impose and collect charges of the nature authorized by this chapter at the time and in the amounts required to produce, together with any taxes or special assessments designated as a primary source of payment of the obligations, funds adequate to pay all principal and interest when due on the obligations and to create and maintain reserves securing the payments as may be provided in the resolutions.

Subd. 4. **Continuance in the event of withdrawal.** If obligations have been issued for the benefit

of the subordinate service district, and the district is withdrawn or removed pursuant to either section 375B.10 or 375B.11, the rates, charges, and tax levies, if any, in the withdrawn or removed district must continue until the obligations and any obligations issued to refund them have been paid in full.

Sec. 10. Minnesota Statutes 2006, section 383B.117, subdivision 2, is amended to read:

Subd. 2. **Equipment acquisition; capital notes.** The board may, by resolution and without public referendum, issue capital notes within existing debt limits for the purpose of purchasing ambulance and other medical equipment, road construction or maintenance equipment, public safety equipment and other capital equipment having an expected useful life at least equal to the term of the notes issued. The notes shall be payable in not more than ~~five~~ ten years and shall be issued on terms and in a manner as the board determines. The total principal amount of the notes issued for any fiscal year shall not exceed one percent of the total annual budget for that year and shall be issued solely for the purchases authorized in this subdivision. A tax levy shall be made for the payment of the principal and interest on such notes as in the case of bonds. For purposes of this subdivision, "equipment" includes computer hardware and software, whether bundled with machinery or equipment or unbundled. For purposes of this subdivision, the term "medical equipment" includes computer hardware and software and other intellectual property for use in medical diagnosis, medical procedures, research, record keeping, billing, and other hospital applications, together with application development services and training related to the use of the computer hardware and software and other intellectual property, all without regard to their useful life. For purposes of determining the amount of capital notes which the county may issue in any year, the budget of the county and Hennepin Healthcare System, Inc. shall be combined and the notes issuable under this subdivision shall be in addition to obligations issuable under section 373.01, subdivision 3.

Sec. 11. Minnesota Statutes 2006, section 410.32, is amended to read:

**410.32 CITIES MAY ISSUE CAPITAL NOTES FOR CAPITAL EQUIPMENT.**

(a) Notwithstanding any contrary provision of other law or charter, a home rule charter city may, by resolution and without public referendum, issue capital notes subject to the city debt limit to purchase capital equipment.

(b) For purposes of this section, "capital equipment" means:

(1) public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment; and

(2) computer hardware and software, whether bundled with machinery or equipment or unbundled.

(c) The equipment or software must have an expected useful life at least as long as the term of the notes. ~~The authority to issue capital notes for software expires on July 1, 2007.~~

(d) The notes shall be payable in not more than ten years and be issued on terms and in the manner the city determines. The total principal amount of the capital notes issued in a fiscal year shall not exceed 0.03 percent of the market value of taxable property in the city for that year.

(e) A tax levy shall be made for the payment of the principal and interest on the notes, in accordance with section 475.61, as in the case of bonds.

(f) Notes issued under this section shall require an affirmative vote of two-thirds of the governing body of the city.

(g) Notwithstanding a contrary provision of other law or charter, a home rule charter city may also issue capital notes subject to its debt limit in the manner and subject to the limitations applicable to statutory cities pursuant to section 412.301.

Sec. 12. Minnesota Statutes 2006, section 412.301, is amended to read:

**412.301 FINANCING PURCHASE OF CERTAIN EQUIPMENT.**

(a) The council may issue certificates of indebtedness or capital notes subject to the city debt limits to purchase capital equipment.

(b) For purposes of this section, "capital equipment" means:

(1) public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment; and

(2) computer hardware and software, whether bundled with machinery or equipment or unbundled.

(c) The equipment or software must have an expected useful life at least as long as the terms of the certificates or notes. ~~The authority to issue capital notes for software expires on July 1, 2007.~~

(d) Such certificates or notes shall be payable in not more than ten years and shall be issued on such terms and in such manner as the council may determine.

(e) If the amount of the certificates or notes to be issued to finance any such purchase exceeds 0.25 percent of the market value of taxable property in the city, they shall not be issued for at least ten days after publication in the official newspaper of a council resolution determining to issue them; and if before the end of that time, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular municipal election is filed with the clerk, such certificates or notes shall not be issued until the proposition of their issuance has been approved by a majority of the votes cast on the question at a regular or special election.

(f) A tax levy shall be made for the payment of the principal and interest on such certificates or notes, in accordance with section 475.61, as in the case of bonds.

Sec. 13. Minnesota Statutes 2006, section 453A.02, subdivision 3, is amended to read:

Subd. 3. **City.** "City" means a city organized and existing under the laws of Minnesota or a city charter adopted pursuant thereto, and authorized by such laws or charter to engage in the local distribution and sale of gas, provided that any city so engaged on January 1, 1979 is authorized to continue such distribution and sale, and every city now or hereafter so authorized may exercise, either individually or as a member of a municipal gas agency, all of the powers granted in sections 453A.01 to 453A.12.

"City" also includes a city organized and existing under the laws of another state or a city charter adopted pursuant thereto which participates in a municipal gas agency with Minnesota cities.

Sec. 14. **[471.6175] TRUST FOR POSTEMPLOYMENT BENEFITS.**

Subdivision 1. **Authorization; establishment.** A political subdivision or other public entity that creates or has created an actuarial liability to pay postemployment benefits to employees or officers after their termination of service may establish a trust to pay those benefits. For purposes of this section, the term "postemployment benefits" means benefits giving rise to a liability under Statement No. 45 of the Governmental Accounting Standards Board and the term "trust" means a trust, a trust account, or a custodial account or contract authorized under section 401(f) of the Internal Revenue Code.

Subd. 2. **Purpose of trust.** The trust established under this section may only be used to pay postemployment benefits and may be either revocable or irrevocable.

Subd. 3. **Trust administrator.** The trust administrator of a trust established under this section shall be either:

(1) the Public Employees Retirement Association;

(2) a bank or banking association incorporated under the laws of the United States or of any state and authorized by the laws under which it is organized to exercise corporate trust powers; or

(3) an insurance company or agency qualified to do business in Minnesota which has at least five years' experience in investment products and services for group retirement benefits and which has a specialized department dedicated to services for retirement investment products.

A political subdivision or public entity may, in its discretion and in compliance with any applicable trust document, change trust administrators and transfer trust assets accordingly.

Subd. 4. **Account maintenance.** A political subdivision or other public entity may establish a trust account to be held under the supervision of the trust administrator for the purposes of this section. A trust administrator shall establish a separate account for each participating political subdivision or public entity. The trust administrator may charge participating political subdivisions and public entities fees for reasonable administrative costs. A trust administrator may establish other reasonable terms and conditions for creation and maintenance of these accounts. The trust administrator must report to the political subdivision or other public entity on the investment returns of invested trust assets and on all investment fees or costs incurred by the trust. The annual rates of return, along with investment and administrative fees and costs for the trust, must be disclosed in the political subdivision's or public entity's annual financial audit in a manner prescribed by the state auditor.

Subd. 5. **Investment.** (a) The assets of a trust or trust account shall be invested and held as stipulated in paragraphs (b) to (e).

(b) The Public Employees Retirement Association must certify all money in the trust accounts for which it is trust administrator to the State Board of Investment for investment created under section 11A.14, subject to the policies and procedures established by the State Board of Investment. Investment earnings must be credited to the trust account of the individual political subdivision or public entity.

(c) A trust administrator, other than the Public Employees Retirement Association, must ensure that all money in the trust accounts for which it is trust administrator is invested by a registered investment adviser, a bank investment trust department or an insurance company or agency retirement investment department. Investment earnings must be credited to the trust account of the

individual political subdivision or public entity.

(d) For trust assets invested by the State Board of Investment, the investment restrictions shall be the same as those generally applicable to the State Board of Investment. For trust assets invested by a trust administrator other than the Public Employees Retirement Association, the assets may only be invested in investments authorized under chapter 118A or section 356A.06, subdivision 7, in the manner specified in the applicable trust document.

(e) A political subdivision or public entity may provide investment direction to a trust administrator in compliance with any applicable trust document.

**Subd. 6. Limit on deposit.** A political subdivision or public entity may not deposit money in a trust or trust account created pursuant to this section if the total amount invested by that political subdivision or public entity would exceed the political subdivision's or public entity's actuarially determined liabilities for postemployment benefits due to officers and employees, as determined under the applicable standards of the Governmental Accounting Standards Board.

**Subd. 7. Withdrawal of funds and termination of account.** (a) For a revocable account, a political subdivision or public entity may withdraw some or all of its money or terminate the trust account. Money and accrued investment earnings withdrawn from a revocable account must be deposited in a fund separate and distinct from any other funds of the political subdivision or public entity. This money, with accrued investment earnings, must be used to pay legally enforceable postemployment benefits to former officers and employees, unless (i) there has been a change in state or federal law affecting that political subdivision's or public entity's liabilities for postemployment benefits, or (ii) there has been a change in the demographic composition of that political subdivision's or public entity's employees eligible for postemployment benefits, or (iii) there has been a change in the provisions or terms of the postemployment benefits in that political subdivision or public entity including, but not limited to, the portion of the costs eligible employees must pay to receive the benefits, or (iv) other factors exist that have a material effect on that political subdivision's or public entity's actuarially determined liabilities for postemployment benefits, in which event any amount in excess of 100 percent of that political subdivision's or public entity's actuarially determined liabilities for postemployment benefits, as determined under standards of the Government Accounting Standards Board, may be withdrawn and used for any purpose.

(b) For an irrevocable account, a political subdivision or public entity may withdraw money only:

(1) as needed to pay postemployment benefits owed to former officers and employees of the political subdivision or public entity; or

(2) when all postemployment benefit liability owed to former officers or employees of the political subdivision or public entity has been satisfied or otherwise defeased.

(c) A political subdivision or public entity requesting withdrawal of money from an account created under this section must do so at a time and in the manner required by the executive director of the Public Employees Retirement Association or specified in an applicable trust document. The political subdivision or public entity that created the trust must ensure that withdrawals comply with the requirements of this section.

(d) The legislature may not divert funds in these trusts or trust accounts for use for another

purpose.

Subd. 8. **Status of irrevocable trust.** (a) All money in an irrevocable trust or trust account created in this section is held in trust for the exclusive benefit of former officers and employees of the participating political subdivision or public entity, and are not subject to claims by creditors of the state, the participating political subdivision or public entity, the current or former officers and employees of the political subdivision or public entity, or the trust administrator.

(b) An irrevocable trust fund or trust account created in this section shall be deemed an arrangement equivalent to a trust for all legal purposes.

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

Sec. 15. Minnesota Statutes 2006, section 473.39, is amended by adding a subdivision to read:

Subd. 1m. **Obligations.** After July 1, 2007, in addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$44,000,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Sec. 16. Minnesota Statutes 2006, section 475.52, subdivision 6, is amended to read:

Subd. 6. **Certain purposes.** Any municipality may issue bonds for paying judgments against it; for refunding outstanding bonds; for funding floating indebtedness; for funding actuarial liabilities to pay postemployment benefits to employees or officers after their termination of service; or for funding all or part of the municipality's current and future unfunded liability for a pension or retirement fund or plan referred to in section 356.20, subdivision 2, as those liabilities are most recently computed pursuant to sections 356.215 and 356.216. The board of trustees or directors of a pension fund or relief association referred to in section 69.77 or chapter 422A must consent and must be a party to any contract made under this section with respect to the fund held by it for the benefit of and in trust for its members. For purposes of this section, the term "postemployment benefits" means benefits giving rise to a liability under Statement No. 45 of the Governmental Accounting Standards Board.

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

Sec. 17. Minnesota Statutes 2006, section 475.58, subdivision 1, is amended to read:

Subdivision 1. **Approval by electors; exceptions.** Obligations authorized by law or charter may be issued by any municipality upon obtaining the approval of a majority of the electors voting on the question of issuing the obligations, but an election shall not be required to authorize obligations issued:

(1) to pay any unpaid judgment against the municipality;

(2) for refunding obligations;

(3) for an improvement or improvement program, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement or by an improvement within the improvement program, or from tax increments, as defined in section 469.174, subdivision 25, including obligations which are the general obligations



of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of such special assessments or tax increments and not less than 20 percent of the cost of the improvement or the improvement program is to be assessed against benefited property or is to be paid from the proceeds of federal grant funds or a combination thereof, or is estimated to be received from tax increments;

(4) payable wholly from the income of revenue producing conveniences;

(5) under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election;

(6) under the provisions of a law which permits the issuance of obligations of a municipality without an election;

(7) to fund pension or retirement fund or postemployment benefit liabilities pursuant to section 475.52, subdivision 6;

(8) under a capital improvement plan under section 373.40; and

(9) under sections 469.1813 to 469.1815 (property tax abatement authority bonds), if the proceeds of the bonds are not used for a purpose prohibited under section 469.176, subdivision 4g, paragraph (b).

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

Sec. 18. Minnesota Statutes 2006, section 475.58, subdivision 3b, is amended to read:

Subd. 3b. **Street reconstruction.** (a) A municipality may, without regard to the election requirement under subdivision 1, issue and sell obligations for street reconstruction, if the following conditions are met:

(1) the streets are reconstructed under a street reconstruction plan that describes the ~~streets to be reconstructed~~ street reconstruction to be financed, the estimated costs, and any planned reconstruction of other streets in the municipality over the next five years, and the plan and issuance of the obligations has been approved by a unanimous vote of all of the members of the governing body who are present at the meeting following a public hearing for which notice has been published in the official newspaper at least ten days but not more than 28 days prior to the hearing; and

(2) if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the last municipal general election and is filed with the municipal clerk within 30 days of the public hearing, the municipality may issue the bonds only after obtaining the approval of a majority of the voters voting on the question of the issuance of the obligations.

(b) Obligations issued under this subdivision are subject to the debt limit of the municipality and are not excluded from net debt under section 475.51, subdivision 4.

(c) For purposes of this subdivision, street reconstruction includes utility replacement and relocation and other activities incidental to the street reconstruction, turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads, and the local share of state and county road projects.

(d) Except in the case of turn lanes, safety improvements, realignments, intersection

modifications, and the local share of state and county road projects, street reconstruction does not include the portion of project cost allocable to widening a street or adding curbs and gutters where none previously existed.

Sec. 19. **VALIDATION.**

Any trust or trust account or other custodial account or contract authorized under section 401(f) of the Internal Revenue Code, created prior to June 6, 2006, to pay postemployment benefits to employees or officers after termination of service, is hereby validated, may continue in full force and effect, and shall have continuing authority to accept new funds; however, this section does not validate or correct defects in any previously created trust document. Any funds held by a validated trust or account under this section may be invested as provided in section 471.6175, subdivision 5. A validated trust or account shall have until January 1, 2008, to bring its trust documents and procedures into compliance with section 471.6175.

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

Sec. 20. **TOWN OF CRANE LAKE, CERTIFICATES OF INDEBTEDNESS.**

Notwithstanding Minnesota Statutes, section 366.095, the town board of the town of Crane Lake in St. Louis County may issue one or more certificates of indebtedness in a total amount not to exceed \$225,000, which are not subject to the debt limits of the town. The proceeds of the certificates must be used to acquire property and pay other costs related to a land exchange with the United States Forest Service. The certificates shall be payable in not more than 30 years and be issued on the terms and in the manner as the board may determine. Minnesota Statutes, sections 475.54, subdivision 1, and 475.56, paragraph (c), do not apply to the certificates issued under this section. A tax levy shall be made to pay the principal and interest on the certificates as in the case of bonds.

**EFFECTIVE DATE.** This section is effective the day after the Crane Lake Town Board and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 21. **CITY OF WINSTED; BONDING AUTHORITY.**

(a) The city of Winsted may issue general obligation bonds under Minnesota Statutes, chapter 475, to finance the acquisition and betterment of a facility consisting of a city hall, community center, and police station; park improvements, including trails and an amphitheater; related public improvements; and substantial landscaping for the improvements.

(b) The bonds may be issued as general obligations of the city without an election to approve the bonds under Minnesota Statutes, section 475.58.

(c) The bonds are not included in computing any debt limitation applicable to the city, including, but not limited to, the net debt limits under Minnesota Statutes, section 475.53, and the levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds is not subject to any levy limitation.

(d) The aggregate principal amount of bonds used to pay costs of the acquisition and betterment of the facility consisting of a city hall, community center, and police station; park improvements, including trails and an amphitheater; related public improvements; and substantial landscaping for the improvements may not exceed \$4,900,000, plus an amount equal to the costs related to issuance

of the bonds and capitalized interest.

**EFFECTIVE DATE.** This section is effective upon compliance by the governing body of the city of Winsted with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to public finance; providing terms and conditions related to the issuance of obligations and the financing of public improvements and services; extending the time for certain publications of notices; providing for the financing of postemployment benefits; authorizing the issuance of certain obligations; amending Minnesota Statutes 2006, sections 118A.03, subdivision 3; 123B.61; 331A.05, subdivision 2; 365A.02; 365A.04; 365A.08; 365A.095; 373.01, subdivision 3; 375B.09; 383B.117, subdivision 2; 410.32; 412.301; 453A.02, subdivision 3; 473.39, by adding a subdivision; 475.52, subdivision 6; 475.58, subdivisions 1, 3b; proposing coding for new law in Minnesota Statutes, chapter 471."

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

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 1764, 1971, 1540, 2126, 1753, 1360, 971, 345 and 1933 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. No. 1048 was read the second time.

### **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.

### **CALL OF THE SENATE**

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

### **MOTIONS AND RESOLUTIONS - CONTINUED**

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

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2362.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 27, 2007

**FIRST READING OF HOUSE BILLS**

The following bill was read the first time.

**H.F. No. 2362:** A bill for an act relating to the financing and operation of state and local government; making policy, technical, administrative, enforcement, collection, refund, and other changes to income, franchise, property, sales and use, motor vehicle sales, health care provider, cigarette and tobacco products, insurance premiums, aggregate removal, mortgage, deed, production, estate, gambling, and other taxes and tax-related provisions; providing a homestead credit state refund; providing for aids to local governments; increasing property tax refunds; providing and changing income and franchise tax credits, subtractions, apportionment, and alternative minimum taxes; adding an income tax bracket and rate; requiring tax withholding; modifying taxation of certain compensation paid to nonresidents; providing for taxation of foreign operating corporations; modifying and authorizing sales tax exemptions; prohibiting new local sales taxes; modifying and authorizing local government sales taxes; imposing a surcharge on certain admissions; modifying property tax exemptions, tax bases, levies, valuation, classes, class rates, credits, statements, abatement, truth in taxation, payment options, and appeals; extending and establishing certain property tax deferral programs; changing tax increment financing provisions; changing certain border city allocation and JOBZ requirements; establishing a FARMZ program; changing provisions relating to fiscal disparities, state debt collection procedures, sustainable forest incentives programs, tax-forfeited land sales, leases, exchanges, and use of proceeds; changing distributions of production tax proceeds; providing for purchase of forest lands; providing for higher education grants in the taconite assistance area; providing for taxation of gifts; conforming provisions to certain changes in federal laws; changing and imposing powers, duties, and requirements on certain local governments and authorities and state departments or agencies; transferring money to the budget reserve account; providing for state funds and accounts; providing for bioscience, land conservation, film production costs reimbursement, and Lignocellulosic ethanol production grants; authorizing release of certain data; requiring studies; appropriating money; amending Minnesota Statutes 2006, sections 16A.152, subdivisions 1b, 2, by adding a subdivision; 16D.04, subdivisions 1, 2; 16D.11, subdivisions 2, 7; 37.13, by adding a subdivision; 62I.06, subdivision 6; 71A.04, subdivision 1; 97A.061, subdivision 2; 127A.48, subdivision 3; 268.19, subdivision 1; 270.071, subdivision 7; 270.072, subdivisions 2, 3, 6; 270.074, subdivision 3; 270.076, subdivision 1; 270.41, subdivisions 1, 2, 3, 5, by adding a subdivision; 270.44; 270.45; 270.46; 270.47; 270.48; 270.50; 270A.03, subdivision 5; 270B.15; 270C.03, subdivision 1; 270C.306; 270C.34, subdivision 1; 270C.446, subdivision 2; 270C.56, subdivision 1; 270C.63, subdivision 9; 272.02, subdivision 64, by adding subdivisions; 272.115, subdivision 1; 273.05, by adding a subdivision; 273.11, subdivision 1a, by adding a subdivision; 273.111, subdivision 3,

by adding a subdivision; 273.117; 273.121; 273.123, subdivisions 2, 3, 7; 273.124, subdivisions 1, 13, 14, 21; 273.125, subdivision 8; 273.128, subdivision 1, by adding a subdivision; 273.13, subdivisions 22, 23, 24, 25, 33, by adding a subdivision; 273.1384, subdivision 1; 273.1398, subdivision 4; 273.33, subdivision 2; 273.37, subdivision 2; 273.371, subdivision 1; 274.01, subdivision 1; 274.13, subdivision 1; 275.065, subdivisions 3, 5a, by adding subdivisions; 275.067; 276.04, subdivision 2, by adding a subdivision; 277.01, subdivision 2; 278.05, subdivision 6; 279.01, subdivision 1, by adding a subdivision; 279.37, subdivision 1a; 280.39; 287.22; 287.2205; 289A.02, subdivision 7; 289A.08, subdivisions 3, 11, 13; 289A.09, subdivision 2; 289A.12, subdivisions 4, 14, by adding a subdivision; 289A.18, subdivision 1; 289A.31, subdivision 7; 289A.40, subdivisions 2, 4; 289A.56, by adding a subdivision; 289A.60, subdivisions 8, 12, 25, 27, by adding subdivisions; 290.01, subdivisions 5, 19, as amended, 19b, 19c, 19d, 31, as amended; 290.06, subdivisions 2c, 2d, 33, by adding a subdivision; 290.067, subdivisions 1, 2b; 290.0671, subdivision 7; 290.0677, subdivision 1; 290.091, subdivision 3; 290.0921, subdivision 3; 290.17, subdivisions 2, 4, by adding a subdivision; 290.191, subdivisions 2, 3, 5, 8; 290.21, subdivision 4; 290.92, by adding a subdivision; 290A.03, subdivisions 7, 13, 15, as amended; 290A.04, subdivisions 2a, 2h, 3, 4, by adding a subdivision; 290B.03, subdivisions 1, 2; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 290B.07; 290C.02, subdivision 3; 290C.04; 290C.05; 290C.07; 290C.11; 291.005, subdivision 1; 291.03, subdivision 1, by adding subdivisions; 291.215, subdivision 1; 295.52, subdivisions 4, 4a; 295.54, subdivision 2; 296A.18, subdivision 4; 297A.61, subdivisions 3, 4, 7, 10, 12, 24, by adding subdivisions; 297A.63, subdivision 1; 297A.665; 297A.668, by adding a subdivision; 297A.669, subdivisions 3, 13, 14, by adding subdivisions; 297A.67, subdivisions 7, 8, 9; 297A.68, subdivisions 11, 16, 35, by adding a subdivision; 297A.69, subdivisions 2, 3; 297A.70, subdivisions 3, 7, 8, by adding subdivisions; 297A.71, subdivision 23, by adding subdivisions; 297A.72; 297A.75, subdivisions 1, 2, 3, by adding a subdivision; 297A.90, subdivision 2; 297A.99, subdivision 1; 297B.03; 297B.035, subdivision 1; 297E.02, by adding a subdivision; 297F.01, subdivision 19, by adding a subdivision; 297F.05, subdivisions 3, 4, by adding a subdivision; 297F.06, subdivision 4; 297F.21, subdivision 3; 297F.25, by adding a subdivision; 297I.06, subdivisions 1, 2; 297I.15, by adding a subdivision; 297I.20, subdivision 2; 297I.40, subdivision 5; 298.22, by adding a subdivision; 298.2214, subdivision 2; 298.28, subdivision 4, by adding a subdivision; 298.292, subdivision 2; 298.2961, subdivision 4; 298.75, by adding a subdivision; 424A.10, subdivision 3; 435.193; 469.169, by adding a subdivision; 469.1734, subdivision 6; 469.174, subdivisions 10, 10a, 27; 469.175, subdivisions 1, 3; 469.176, subdivisions 1, 2, 4l, 7; 469.1761, subdivision 1; 469.1763, subdivision 2; 469.177, subdivision 1; 469.178, subdivision 7; 469.1791, subdivision 3; 469.1813, subdivision 1a; 469.310, by adding a subdivision; 469.312, by adding subdivisions; 469.314, subdivision 1; 469.3201; 473F.01, subdivision 2; 473F.08, subdivisions 5, 7a; 477A.011, subdivisions 34, 36; 477A.0124, subdivision 5; 477A.013, subdivisions 8, 9, by adding a subdivision; 477A.03; 477A.12, subdivision 1; 477A.14, subdivision 1; Laws 1973, chapter 393, section 1; Laws 1980, chapter 511, section 1, subdivision 2, as amended; Laws 1994, chapter 587, article 9, section 14, subdivisions 1, 2, 3; Laws 1995, chapter 264, article 5, sections 44, subdivision 4, as amended; 45, subdivision 1, as amended; Laws 2005, First Special Session chapter 3, article 5, section 39; Laws 2006, chapter 236, article 1, section 21; proposing coding for new law in Minnesota Statutes, chapters 84; 270; 270C; 273; 274; 290; 290C; 295; 297A; 383D; 383E; 469; proposing coding for new law as Minnesota Statutes, chapter 290D; repealing Minnesota Statutes 2006, sections 270.073; 270.41, subdivision 4; 270.43; 270.51; 270.52; 270.53; 290.01, subdivision 6b; 290.0921, subdivision 7; 290.191, subdivision 4; 290A.04, subdivisions 2, 2b; 295.60; 297A.61, subdivision 20; 297A.668, subdivision 6; 297A.67, subdivision 22; 383A.80, subdivision 4; 383B.80, subdivision 4; 469.174,

subdivision 29; 473F.08, subdivision 3a; Laws 1973, chapter 393, section 2; Laws 1994, chapter 587, article 9, section 8, subdivision 1, as amended.

### 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. 2362 and that the rules of the Senate be so far suspended as to give H.F. No. 2362 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2362 was read the second time.

Senator Bakk moved to amend H.F. No. 2362 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2362, and insert the language after the enacting clause, and the title, of S.F. No. 1024, the second engrossment.

The motion prevailed. So the amendment was adopted.

### CALL OF THE SENATE

Senator Senjem imposed a call of the Senate for the balance of the proceedings on H.F. No. 2362. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 2362 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.

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

The roll was called, and there were yeas 35 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Larson	Olseen	Sieben
Bakk	Doll	Latz	Olson, M.	Skoe
Berglin	Erickson Ropes	Lourey	Pappas	Skogen
Betzold	Foley	Lynch	Pogemiller	Sparks
Carlson	Higgins	Marty	Prettner Solon	Tomassoni
Chaudhary	Kubly	Metzen	Rummel	Torres Ray
Clark	Langseth	Moua	Saxhaug	Wiger

Those who voted in the negative were:

Bonoff	Ingebrigtsen	Limmer	Pariseau	Sheran
Day	Johnson	Michel	Robling	Wergin
Fischbach	Jungbauer	Neuville	Rosen	
Frederickson	Koch	Olson, G.	Saltzman	
Gimse	Koering	Ortman	Senjem	

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

**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. 272: Senators Skogen, Erickson Ropes and Ingebrigtsen.

S.F. No. 238: Senators Sheran, Dibble, Latz, Dille and Rosen.

Senator Pogemiller moved that the foregoing appointments be approved. 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.

**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 has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

**S.F. No. 238:** A bill for an act relating to health; establishing public policy to protect employees and the general public from the hazards of secondhand smoke; requiring persons to refrain from smoking in certain areas; amending Minnesota Statutes 2006, sections 144.412; 144.413, subdivisions 2, 4, by adding subdivisions; 144.414; 144.416; 144.417; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2006, section 144.415.

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

Huntley; Murphy, E.; Norton; Tschumper and Severson.

Senate File No. 238 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 27, 2007

Mr. President:

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

**S.F. No. 1045:** A bill for an act relating to Scott County; renaming the Scott County Housing and Redevelopment Authority.

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

Kohls, Hilstrom and Beard.

Senate File No. 1045 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 27, 2007

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2362:

**H.F. No. 2362:** A bill for an act relating to the financing and operation of state and local government; making policy, technical, administrative, enforcement, collection, refund, and other changes to income, franchise, property, sales and use, motor vehicle sales, health care provider, cigarette and tobacco products, insurance premiums, aggregate removal, mortgage, deed, production, estate, gambling, and other taxes and tax-related provisions; providing a homestead credit state refund; providing for aids to local governments; increasing property tax refunds; providing and changing income and franchise tax credits, subtractions, apportionment, and alternative minimum taxes; adding an income tax bracket and rate; requiring tax withholding; modifying taxation of certain compensation paid to nonresidents; providing for taxation of foreign operating corporations; modifying and authorizing sales tax exemptions; prohibiting new local sales taxes; modifying and authorizing local government sales taxes; imposing a surcharge on certain admissions; modifying property tax exemptions, tax bases, levies, valuation, classes, class rates, credits, statements, abatement, truth in taxation, payment options, and appeals; extending and establishing certain property tax deferral programs; changing tax increment financing provisions; changing certain border city allocation and JOBZ requirements; establishing a FARMZ program; changing provisions relating to fiscal disparities, state debt collection procedures, sustainable forest incentives programs, tax-forfeited land sales, leases, exchanges, and use of proceeds; changing distributions of production tax proceeds; providing for purchase of forest lands; providing for higher education grants in the taconite assistance area; providing for taxation of gifts; conforming provisions to certain changes in federal laws; changing and imposing powers, duties, and requirements on certain local governments and authorities and state departments or agencies; transferring money to the budget reserve account; providing for state funds and accounts; providing



for bioscience, land conservation, film production costs reimbursement, and Lignocellulosic ethanol production grants; authorizing release of certain data; requiring studies; appropriating money; amending Minnesota Statutes 2006, sections 16A.152, subdivisions 1b, 2, by adding a subdivision; 16D.04, subdivisions 1, 2; 16D.11, subdivisions 2, 7; 37.13, by adding a subdivision; 62I.06, subdivision 6; 71A.04, subdivision 1; 97A.061, subdivision 2; 127A.48, subdivision 3; 268.19, subdivision 1; 270.071, subdivision 7; 270.072, subdivisions 2, 3, 6; 270.074, subdivision 3; 270.076, subdivision 1; 270.41, subdivisions 1, 2, 3, 5, by adding a subdivision; 270.44; 270.45; 270.46; 270.47; 270.48; 270.50; 270A.03, subdivision 5; 270B.15; 270C.03, subdivision 1; 270C.306; 270C.34, subdivision 1; 270C.446, subdivision 2; 270C.56, subdivision 1; 270C.63, subdivision 9; 272.02, subdivision 64, by adding subdivisions; 272.115, subdivision 1; 273.05, by adding a subdivision; 273.11, subdivision 1a, by adding a subdivision; 273.111, subdivision 3, by adding a subdivision; 273.117; 273.121; 273.123, subdivisions 2, 3, 7; 273.124, subdivisions 1, 13, 14, 21; 273.125, subdivision 8; 273.128, subdivision 1, by adding a subdivision; 273.13, subdivisions 22, 23, 24, 25, 33, by adding a subdivision; 273.1384, subdivision 1; 273.1398, subdivision 4; 273.33, subdivision 2; 273.37, subdivision 2; 273.371, subdivision 1; 274.01, subdivision 1; 274.13, subdivision 1; 275.065, subdivisions 3, 5a, by adding subdivisions; 275.067; 276.04, subdivision 2, by adding a subdivision; 277.01, subdivision 2; 278.05, subdivision 6; 279.01, subdivision 1, by adding a subdivision; 279.37, subdivision 1a; 280.39; 287.22; 287.2205; 289A.02, subdivision 7; 289A.08, subdivisions 3, 11, 13; 289A.09, subdivision 2; 289A.12, subdivisions 4, 14, by adding a subdivision; 289A.18, subdivision 1; 289A.31, subdivision 7; 289A.40, subdivisions 2, 4; 289A.56, by adding a subdivision; 289A.60, subdivisions 8, 12, 25, 27, by adding subdivisions; 290.01, subdivisions 5, 19, as amended, 19b, 19c, 19d, 31, as amended; 290.06, subdivisions 2c, 2d, 33, by adding a subdivision; 290.067, subdivisions 1, 2b; 290.0671, subdivision 7; 290.0677, subdivision 1; 290.091, subdivision 3; 290.0921, subdivision 3; 290.17, subdivisions 2, 4, by adding a subdivision; 290.191, subdivisions 2, 3, 5, 8; 290.21, subdivision 4; 290.92, by adding a subdivision; 290A.03, subdivisions 7, 13, 15, as amended; 290A.04, subdivisions 2a, 2h, 3, 4, by adding a subdivision; 290B.03, subdivisions 1, 2; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 290B.07; 290C.02, subdivision 3; 290C.04; 290C.05; 290C.07; 290C.11; 291.005, subdivision 1; 291.03, subdivision 1, by adding subdivisions; 291.215, subdivision 1; 295.52, subdivisions 4, 4a; 295.54, subdivision 2; 296A.18, subdivision 4; 297A.61, subdivisions 3, 4, 7, 10, 12, 24, by adding subdivisions; 297A.63, subdivision 1; 297A.665; 297A.668, by adding a subdivision; 297A.669, subdivisions 3, 13, 14, by adding subdivisions; 297A.67, subdivisions 7, 8, 9; 297A.68, subdivisions 11, 16, 35, by adding a subdivision; 297A.69, subdivisions 2, 3; 297A.70, subdivisions 3, 7, 8, by adding subdivisions; 297A.71, subdivision 23, by adding subdivisions; 297A.72; 297A.75, subdivisions 1, 2, 3, by adding a subdivision; 297A.90, subdivision 2; 297A.99, subdivision 1; 297B.03; 297B.035, subdivision 1; 297E.02, by adding a subdivision; 297F.01, subdivision 19, by adding a subdivision; 297F.05, subdivisions 3, 4, by adding a subdivision; 297F.06, subdivision 4; 297F.21, subdivision 3; 297F.25, by adding a subdivision; 297I.06, subdivisions 1, 2; 297I.15, by adding a subdivision; 297I.20, subdivision 2; 297I.40, subdivision 5; 298.22, by adding a subdivision; 298.2214, subdivision 2; 298.28, subdivision 4, by adding a subdivision; 298.292, subdivision 2; 298.2961, subdivision 4; 298.75, by adding a subdivision; 424A.10, subdivision 3; 435.193; 469.169, by adding a subdivision; 469.1734, subdivision 6; 469.174, subdivisions 10, 10a, 27; 469.175, subdivisions 1, 3; 469.176, subdivisions 1, 2, 4l, 7; 469.1761, subdivision 1; 469.1763, subdivision 2; 469.177, subdivision 1; 469.178, subdivision 7; 469.1791, subdivision 3; 469.1813, subdivision 1a; 469.310, by adding a subdivision; 469.312, by adding subdivisions; 469.314, subdivision 1; 469.3201; 473F.01, subdivision 2; 473F.08, subdivisions 5, 7a; 477A.011, subdivisions 34, 36; 477A.0124, subdivision

5; 477A.013, subdivisions 8, 9, by adding a subdivision; 477A.03; 477A.12, subdivision 1; 477A.14, subdivision 1; Laws 1973, chapter 393, section 1; Laws 1980, chapter 511, section 1, subdivision 2, as amended; Laws 1994, chapter 587, article 9, section 14, subdivisions 1, 2, 3; Laws 1995, chapter 264, article 5, sections 44, subdivision 4, as amended; 45, subdivision 1, as amended; Laws 2005, First Special Session chapter 3, article 5, section 39; Laws 2006, chapter 236, article 1, section 21; proposing coding for new law in Minnesota Statutes, chapters 84; 270; 270C; 273; 274; 290; 290C; 295; 297A; 383D; 383E; 469; proposing coding for new law as Minnesota Statutes, chapter 290D; repealing Minnesota Statutes 2006, sections 270.073; 270.41, subdivision 4; 270.43; 270.51; 270.52; 270.53; 290.01, subdivision 6b; 290.0921, subdivision 7; 290.191, subdivision 4; 290A.04, subdivisions 2, 2b; 295.60; 297A.61, subdivision 20; 297A.668, subdivision 6; 297A.67, subdivision 22; 383A.80, subdivision 4; 383B.80, subdivision 4; 469.174, subdivision 29; 473F.08, subdivision 3a; Laws 1973, chapter 393, section 2; Laws 1994, chapter 587, article 9, section 8, subdivision 1, as amended.

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

Lenczewski, Marquart, Carlson, Davnie and Simpson have been appointed as such committee on the part of the House.

House File No. 2362 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 27, 2007

Senator Bakk moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2362, and that a Conference Committee of 5 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. 2362: Senators Bakk, Larson, Skoe, Moua and Marty.

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

**MEMBERS EXCUSED**

Senators Dibble and Stumpf were excused from the Session of today. Senator Berglin was excused from the Session of today from 10:00 to 10:30 a.m. Senator Bakk was excused from the Session of today from 10:00 to 10:45 a.m. Senator Ortman was excused from the Session of today from 10:00 a.m. to 2:00 p.m. Senator Rest was excused from the Session of today at 11:40 a.m. Senators Gerlach and Scheid were excused from the Session of today at 1:15 p.m. Senator Koering was excused from the Session of today from 1:45 to 3:00 p.m. Senators Dille, Hann, Murphy, Vickerman and Vandever were excused from the Session of today at 5:15 p.m.

**ADJOURNMENT**

Senator Pogemiller moved that the Senate do now adjourn until 1:00 p.m., Monday, April 30, 2007. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



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Friday, April 27, 2007

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