

STATE OF MINNESOTA

Journal of the Senate

SEVENTY-NINTH LEGISLATURE

NINETY-FOURTH DAY

St. Paul, Minnesota, Friday, March 8, 1996

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

CALL OF THE SENATE

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

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

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

Anderson	Hanson	Laidig	Novak	Sams
Beckman	Hottinger	Langseth	Oliver	Samuelson
Belanger	Janezich	Larson	Olson	Scheevel
Berg	Johnson, D.E.	Lesewski	Ourada	Solon
Berglin	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Limmer	Pariseau	Stevens
Chandler	Johnston	Marty	Piper	Stumpf
Cohen	Kelly	Merriam	Pogemiller	Terwilliger
Day	Kiscaden	Metzen	Price	Vickerman
Dille	Kleis	Moe, R.D.	Ranum	Wiener
Finn	Knutson	Mondale	Reichgott Junge	
Fischbach	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	
Frederickson	Kroening	Neuville	Runbeck	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 7, 1996

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1996 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1996	Date Filed 1996
	2411	301	1:40 p.m. March 6	March 6

Sincerely,
Joan Anderson Growe
Secretary of State

MOTIONS AND RESOLUTIONS

Remaining on the Order of Business of Motions and Resolutions, Ms. Reichgott Junge moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Ms. Flynn in the chair.

After some time spent therein, the committee arose, and Mr. Spear reported that the committee had considered the following:

S.F. Nos. 2540, 2023, 2260, 2254, 1885 and H.F. Nos. 2310, 2782, 2282, 2245, 2332, which the committee recommends to pass.

H.F. No. 2055, which the committee recommends to pass with the following amendment offered by Ms. Johnson, J.B.:

Amend H.F. No. 2055, the unofficial engrossment, as follows:

Page 4, line 4, delete "charge" and insert "change"

The motion prevailed. So the amendment was adopted.

H.F. No. 2190, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Amend H.F. No. 2190, the unofficial engrossment, as follows:

Pages 8 and 9, delete sections 6 and 7

Page 12, lines 8 and 9, reinstate the stricken language

Page 12, lines 30 and 31, strike "in compliance with section 62M.07"

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1303, which the committee recommends to pass, subject to the following motion:

Ms. Pappas moved that the amendment made to H.F. No. 1303 by the Committee on Rules and Administration in the report adopted March 5, 1996, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2152, which the committee reports progress, subject to the following motion:

Mr. Ourada moved to amend H.F. No. 2152 as follows:

Amend the title as follows:

Page 1, line 4, delete "adopt rules" and insert "establish a program"

The motion prevailed. So the amendment was adopted.

H.F. No. 2152 was then progressed.

H.F. No. 2068, which the committee recommends to pass, after the following motion:

The question was taken on the recommendation to pass H.F. No. 2068.

The roll was called, and there were yeas 46 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Langseth	Novak	Robertson
Berglin	Johnson, D.J.	Larson	Olson	Sams
Betzold	Johnson, J.B.	Lessard	Ourada	Scheevel
Cohen	Kiscaden	Limmer	Pappas	Stevens
Day	Kleis	Marty	Pariseau	Stumpf
Dille	Knutson	Merriam	Piper	Terwilliger
Finn	Kramer	Metzen	Pogemiller	
Fischbach	Krentz	Morse	Price	
Flynn	Kroening	Murphy	Reichgott Junge	
Frederickson	Laidig	Neuville	Riveness	

Mr. Oliver voted in the negative.

The motion prevailed. So H.F. No. 2068 was recommended to pass.

H.F. No. 2171, which the committee recommends to pass with the following amendment offered by Mr. Morse:

Amend H.F. No. 2171 amended pursuant to Rule 49, adopted by the Senate March 5, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2252.)

Page 3, line 24, before "The" insert "(a)"

Page 3, line 25, after "upon" insert ":

(1)

Page 3, line 26, delete "or" and insert "; or

(2)"

Page 3, after line 28, insert:

"(b) The requirements in paragraph (a) are minimum requirements and do not limit the agency's authority under sections 14.06 and 116.07, subdivision 3, to adopt rules:

(1) applying the requirement in paragraph (a), clause (1) or (2), to certain decisions of the agency; or

(2) establishing additional or more stringent requirements for reopening, rescinding, or reversing decisions of the agency."

The motion prevailed. So the amendment was adopted.

H.F. No. 2682, which the committee recommends to pass, after the following motions:

Ms. Robertson moved to amend H.F. No. 2682, the unofficial engrossment, as follows:

Page 1, lines 14 to 16, reinstate the stricken language and delete the new language

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 44, as follows:

Those who voted in the affirmative were:

Belanger	Kiscaden	Lesewski	Olson	Runbeck
Berg	Knutson	Merriam	Pariseau	Scheevel
Day	Larson	Oliver	Robertson	Terwilliger
Johnston				

Those who voted in the negative were:

Anderson	Flynn	Kroening	Neuville	Riveness
Beckman	Frederickson	Laidig	Novak	Sams
Berglin	Hanson	Langseth	Ourada	Samuelson
Betzold	Hottinger	Lessard	Pappas	Spear
Chandler	Johnson, D.J.	Limmer	Piper	Stevens
Cohen	Johnson, J.B.	Marty	Pogemiller	Stumpf
Dille	Kleis	Metzen	Price	Vickerman
Finn	Kramer	Morse	Ranum	Wiener
Fischbach	Krentz	Murphy	Reichgott Junge	

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

The question was taken on the recommendation to pass H.F. No. 2682.

The roll was called, and there were yeas 52 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Novak	Runbeck
Beckman	Hanson	Laidig	Olson	Sams
Belanger	Hottinger	Langseth	Ourada	Samuelson
Berglin	Johnson, D.J.	Lesewski	Pappas	Spear
Betzold	Johnson, J.B.	Lessard	Pariseau	Stevens
Chandler	Kelly	Limmer	Piper	Stumpf
Cohen	Kiscaden	Marty	Pogemiller	Vickerman
Dille	Kleis	Merriam	Price	Wiener
Finn	Knutson	Metzen	Ranum	
Fischbach	Kramer	Morse	Reichgott Junge	
Flynn	Krentz	Neuville	Riveness	

Those who voted in the negative were:

Berg	Johnston	Oliver	Scheevel	Terwilliger
Day	Larson	Robertson		

The motion prevailed. So H.F. No. 2682 was recommended to pass.

H.F. No. 2953, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Amend H.F. No. 2953, as amended pursuant to Rule 49, adopted by the Senate February 23, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 1871.)

Delete everything after the enacting clause and insert:

"Section 1. [PILOT PROJECT.]

The commissioner of employee relations shall develop a proposal for a pilot project to determine the feasibility of coordinating workers' compensation and insurance benefits. This proposal may include a pilot project for employees of local units of government as well as state employees. In developing this project, the commissioner shall consult with the joint labor management committee on health plans; the public employees insurance program advisory board;

the departments of labor and industry, health, and commerce; and health plans serving state employees and other public employees.

The commissioner shall report on the implementation of the pilot project, and any recommendations, to the legislature by January 15, 1997. The commissioner may undertake this project only if grants for this purpose are awarded to the commissioner."

Delete the title and insert:

"A bill for an act relating to state government; requiring a pilot project to determine the feasibility of coordinating workers' compensation and insurance benefits for public employees."

The motion prevailed. So the amendment was adopted.

S.F. No. 2255, which the committee recommends to pass with the following amendments offered by Mr. Betzold, Mrs. Pariseau and Ms. Kiscaden:

Mr. Betzold moved to amend S.F. No. 2255 as follows:

Page 3, delete lines 5 to 16 and insert:

"Subd. 2b. A vacancy in the office of mayor or council member may be declared by the council when the officeholder is unable to serve in the office or attend council meetings for a 90-day period because of illness, or because of absence from or refusal to attend council meetings for a 90-day period. If any of the preceding conditions occurs, the council may, after it has by resolution declared a vacancy to exist, fill the vacancy at a regular or special council meeting for the remainder of the unexpired term, or until the person is again able to resume duties and attend council meetings, whichever is earlier. When the person is again able to resume duties and attend council meetings, the council may by resolution remove the temporary officeholder and restore the original officeholder."

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend S.F. No. 2255 as follows:

Page 2, line 7, delete "occurs" and insert "may be declared by the county board"

Page 2, line 8, delete the first "the" and insert "a"

Page 2, line 9, after "illness" insert a comma and after "or" insert "because of"

Page 2, line 10, delete "the" and insert "or refusal to attend" and before the period, insert "for a 90-day period" and delete "a vacancy occurs because of illness"

Page 2, line 11, delete everything before the comma and insert "any of the preceding conditions occurs"

Page 2, line 16, delete "earliest" and insert "earlier"

Page 2, lines 17 and 20, delete "ill or absent" and insert "original"

Page 2, line 19, delete "previously"

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden moved to amend S.F. No. 2255 as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1994, section 127.09, is amended to read:

127.09 [REFUSING TO SERVE ON; ILLNESS OR ABSENCE FROM SCHOOL BOARD.]

Subdivision 1. [REFUSING TO SERVE.] Except as provided in subdivision 2, any person who

accepts election or appointment to any school board and who refuses or neglects to qualify or to serve or to perform any of the duties of the office, shall be fined \$10 for each offense. The fine shall be collected in an action before a county or municipal court. It may be prosecuted in the name of the district by any school board member or eligible voter of the district.

Subd. 2. [ILLNESS OR ABSENCE FROM BOARD MEETINGS.] A vacancy on a school board may be declared when a school board member is unable to serve in the office or attend board meetings for a 90-day period because of illness, or because of absence from board meetings for a 90-day period. In either case, the school board may, after the board by resolution has declared a vacancy to exist, make an appointment to fill the vacancy at a regular or special meeting for the remainder of the unexpired term or until the ill or absent member is again able to resume duties and attend board meetings, whichever is earlier. If the ill or absent member is again able to resume the member's duties and attend board meetings, the board may by resolution so determine and remove the appointed board member and restore the previously ill or absent member to office."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden then moved to amend S.F. No. 2255 as follows:

Page 1, after line 8, insert:

"Section 1. [3.154] [FAILURE OR REFUSAL TO ATTEND SESSIONS.]

If a member of the legislature fails or refuses to attend sessions of the legislature for a 20-day period, the respective body may by a two-thirds vote of all its members expel the member and declare the member's office to be vacant. The vacancy must be filled by special election, except as otherwise provided by sections 204D.17 to 204D.27."

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 10 and nays 45, as follows:

Those who voted in the affirmative were:

Belanger	Kiscaden	Knutson	Olson	Robertson
Fischbach	Kleis	Larson	Pariseau	Runbeck

Those who voted in the negative were:

Anderson	Flynn	Laidig	Murphy	Riveness
Beckman	Hanson	Langseth	Neuville	Sams
Berg	Hottinger	Lesewski	Novak	Samuelson
Berglin	Johnson, D.J.	Lessard	Oliver	Solon
Betzold	Johnson, J.B.	Limmer	Piper	Spear
Chandler	Johnston	Marty	Pogemiller	Stevens
Cohen	Kramer	Merriam	Price	Stumpf
Day	Krentz	Metzen	Ranum	Vickerman
Dille	Kroening	Morse	Reichgott Junge	Wiener

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

S.F. No. 1915, which the committee recommends to pass, after the following motions:

Mr. Oliver moved to amend S.F. No. 1915 as follows:

Pages 60 to 93, delete article 5

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Oliver then moved to amend S.F. No. 1915 as follows:

Page 58, line 24, after the period, insert "Sections 1 to 8 are effective October 1, 1996."

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend S.F. No. 1915 as follows:

Page 4, line 10, after the semicolon, insert "or"

Page 4, delete lines 11 to 19

Page 4, line 20, delete "(3)" and insert "(2)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kelly	Morse	Sams
Beckman	Flynn	Krentz	Murphy	Samuelson
Betzold	Hanson	Kroening	Pappas	Spear
Chandler	Hottinger	Langseth	Piper	Stumpf
Cohen	Johnson, D.J.	Marty	Ranum	
Day	Johnson, J.B.	Merriam	Reichgott Junge	

Those who voted in the negative were:

Belanger	Kiscaden	Lesewski	Olson	Runbeck
Berg	Kleis	Lessard	Ourada	Scheevel
Berglin	Knutson	Limmer	Pariseau	Solon
Dille	Kramer	Metzen	Pogemiller	Stevens
Fischbach	Laidig	Neuville	Price	Terwilliger
Johnston	Larson	Oliver	Robertson	Wiener

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

Mr. Finn moved to amend S.F. No. 1915 as follows:

Page 20, line 13, before the first comma, insert "or the commissioner of commerce, acting on the governor's behalf" and after "senate," delete "or the"

Page 20, line 14, delete everything before "may"

The motion prevailed. So the amendment was adopted.

On motion of Ms. Reichgott Junge, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

RECESS

Ms. Reichgott Junge moved that the Senate do now recess until 2:00 p.m. The motion prevailed.

The hour of 2:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Executive and Official Communications, Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

January 31, 1996

The Honorable Allan H. Spear
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

BOARD OF THE ARTS

Thomas L. Owens, 2200 Kenwood Pkwy., Minneapolis, Hennepin County, effective February 5, 1996, for a term expiring on the first Monday in January, 2000.

Teresa Parker, Rt. 1, Box 153, Henning, Otter Tail County, effective February 5, 1996, for a term expiring on the first Monday in January, 2000.

M. Judith Schmidt, 305 S. Jefferson, Houston, Houston County, effective February 5, 1996, for a term expiring on the first Monday in January, 2000.

(Referred to the Committee on Governmental Operations and Veterans.)

March 1, 1996

The Honorable Allan H. Spear
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

BOARD OF INVENTION

Philip Goldman, 1926 South Ln., Mendota Heights, Dakota County, effective March 5, 1996, for a term expiring on the first Monday in January, 2000.

Janet Robb, 1754 W. Millwood Ave., Roseville, Ramsey County, effective March 5, 1996, for a term expiring on the first Monday in January, 2000.

Patsy O. Sherman, 1006 Devonshire Curve, Bloomington, Hennepin County, effective March 5, 1996, for a term expiring on the first Monday in January, 2000.

Whitney Slabaugh, R.R. 5, Box 38, Owatonna, Steele County, effective March 5, 1996, for a term expiring on the first Monday in January, 1997.

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

Warmest regards,
Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2417 and 3249.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 7, 1996

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. 1872: A bill for an act relating to peace officer training; requiring peace officers to undergo training in community policing techniques; proposing coding for new law in Minnesota Statutes, chapter 626.

Senate File No. 1872 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 8, 1996

Ms. Berglin moved that S.F. No. 1872 be laid on the table. The motion prevailed.

FIRST READING OF HOUSE BILLS

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

H.F. No. 2417: A bill for an act relating to retirement; modifying various provisions governing Minnesota public pension plans; making various benefit and coverage modifications; redirecting various state pension aids to certain first class city teachers retirement fund associations; requiring certain school district employer contribution increases; establishing reporting requirements; making changes to provisions on volunteer firefighter relief associations; creating a special task force; making various administrative modifications; amending Minnesota Statutes 1994, sections 3A.04, subdivision 4; 16.06, by adding a subdivision; 69.021, subdivision 7; 124.916, subdivision 3; 144C.06; 352.04, subdivision 8; 352.95, subdivision 2; 352B.10, subdivision 2; 352B.11, subdivision 1; 352C.09, by adding a subdivision; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.04; 354.44, subdivisions 3 and 4; 354A.12, subdivisions 2, 3a, 3c, and by adding subdivisions; 356A.06, subdivision 4; 423A.02, subdivision 1, and by adding a subdivision; 423B.01, subdivision 9; 423B.15, subdivision 3; 424A.001, by adding subdivisions; 424A.01, by adding a subdivision; 424A.02, subdivision 1, and by adding a subdivision; and 490.124, by adding a subdivision; Minnesota Statutes 1995 Supplement, sections 144C.07, subdivision 2; 144C.08; 354A.12, subdivision 3b; 354D.02, subdivision 2; 354D.03; 354D.04; and 354D.06; Laws 1989, chapter 319, article 19, section 7, subdivisions 1, as amended and 4, as amended; and Laws 1995, chapter 252, article 1, section 16; proposing coding for new law in Minnesota

Statutes, chapter 354D; repealing Minnesota Statutes 1994, section 353D.11; Laws 1990, chapter 570, article 13, section 1, subdivision 5.

Referred to the Committee on Finance.

H.F. No. 3249: A bill for an act relating to the financing and operation of government in this state; modifying certain tax rates, credits, refunds, bases, and exemptions; modifying property tax exemptions, valuation, and classification; providing a senior citizen property tax deferral; providing for the deposit of certain revenues in the highway user tax distribution and transit assistance funds; establishing an education investment fund; providing tax incentives for savings for education; changing tax increment financing, special services district, and taxing district provisions; authorizing local taxes; authorizing certain special districts; providing local levy or other authority; authorizing municipal debt; providing for certain tax base sharing; changing certain aids; modifying revenue recapture; making tax policy, collection, administrative and technical changes, corrections, and clarifications; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1994, sections 10A.31, subdivision 3a; 13.99, subdivision 97a; 103E.611, subdivision 7; 115.26, by adding a subdivision; 165.08, subdivision 5; 216B.16, by adding a subdivision; 239.761, subdivision 5; 270.067, subdivision 2; 270.07, subdivision 1; 270.102, subdivisions 1, 2, and 3; 270.70, subdivision 2; 270A.03, subdivision 2; 270B.12, by adding a subdivision; 273.02, subdivision 3; 273.11, subdivision 1a; 273.111, subdivisions 3 and 6; 273.124, by adding a subdivision; 273.13, subdivisions 22, 23, and 32; 273.1398, by adding a subdivision; 275.065, subdivision 5a; 275.07, subdivision 4, and by adding a subdivision; 275.61; 278.01, by adding a subdivision; 278.08; 279.06, subdivision 1; 279.37, by adding a subdivision; 281.17; 287.06; 289A.50, by adding a subdivision; 289A.56, subdivision 4; 290.01, subdivisions 4a and 19a; 290.06, subdivisions 2c and 22; 290.091, subdivisions 2 and 6; 290.0922, subdivisions 1 and 3; 290.095, subdivision 3; 290.17, subdivision 2; 290A.03, subdivision 11; 290A.25; 295.51, subdivision 1, and by adding a subdivision; 295.52, by adding a subdivision; 295.54, subdivisions 1, 2, and by adding a subdivision; 296.01, subdivisions 2 and 13; 296.02, by adding a subdivision; 296.025, subdivision 6; 296.141, subdivisions 4 and 5; 296.15, by adding a subdivision; 296.17, subdivision 7; 297.04, subdivision 9; 297A.01, subdivision 16; 297A.02, subdivision 5; 297A.14, by adding a subdivision; 297A.15, subdivision 6; 297A.21, subdivision 4; 297A.211, subdivision 3; 297A.24, subdivision 1; 297A.25, subdivisions 14, 37, and by adding a subdivision; 297A.256, subdivision 1; 297A.2572; 297A.2573; 297A.44, subdivision 1; 297A.46; 297B.09, subdivision 1; 297E.02, subdivisions 4 and 10; 298.01, subdivision 4e; 298.17; 298.28, subdivisions 2 and 11; 298.75, subdivision 1, and by adding a subdivision; 349.15, by adding a subdivision; 349.154, subdivision 2; 349.19, subdivision 2, and by adding a subdivision; 373.40, subdivision 7; 375.192, subdivision 2; 383B.51; 428A.01, subdivisions 2 and 3; 428A.02, subdivision 1; 444.075, by adding a subdivision; 458A.32, subdivision 4; 469.040, subdivision 3, and by adding a subdivision; 469.167, subdivision 2; 469.173, subdivision 7; 469.174, subdivision 2; 469.176, subdivision 4f; 469.1761, subdivision 1; 469.177, subdivision 3; 471.88, subdivision 14; 473.625; 477A.011, subdivisions 3, 20, 27, 32, and 35; and 477A.013, subdivision 6; Minnesota Statutes 1995 Supplement, sections 41A.09, subdivision 2a; 115B.48, by adding subdivisions; 115B.49, subdivisions 2 and 4; 116.07, subdivision 10; 124A.03, subdivision 2; 216B.161, subdivision 1; 270A.03, subdivision 7; 272.02, subdivision 1; 273.11, subdivision 16; 273.124, subdivisions 3 and 13; 273.13, subdivisions 24 and 25; 273.1398, subdivision 1; 273.1399, subdivisions 6 and 7; 275.065, subdivisions 3 and 6; 275.08, subdivision 1b; 276.04, subdivision 2; 289A.40, subdivision 1; 290.01, subdivision 19b; 290.067, subdivision 1; 290.191, subdivisions 5 and 6; 290A.04, subdivision 2h; 295.50, subdivisions 3 and 4; 295.53, subdivisions 1, 5, and by adding a subdivision; 296.02, subdivision 1; 296.025, subdivision 1; 296.12, subdivision 3; 297A.01, subdivision 3; 297A.02, subdivision 4; 297A.25, subdivisions 57 and 59; 297A.45, subdivisions 2, 3, and 4; 297B.01, subdivision 8; 428A.05; 465.82, subdivision 2; 469.169, subdivisions 9 and 10; 469.174, subdivision 4; 469.175, subdivisions 1, 5, and 6; 469.176, subdivision 2; 469.177, subdivision 1; 471.6965; 473.448; 477A.0121, subdivision 4; 477A.0132; and 477A.03, subdivision 2; Laws 1963, chapter 118, sections 1, subdivision 3; 2; 4; 6; Laws 1971, chapter 869, sections 2, subdivisions 2, as amended, 14, and 17, as added; 3, subdivisions 5, 6, and 9; 4, subdivisions 1, 2, and 5, as amended; 5, subdivisions 1 and 3; 8; 10, subdivision 3b, as added; 12, subdivisions 1, as amended, and 2, as amended; 17, subdivision 11; 19; 20, subdivision 2; 21; 24; Laws 1985, chapter 302, section 2, subdivision 1, as amended; Laws 1991, chapter 291, article 8, section 27, by adding a subdivision;

Laws 1992, chapter 511, article 8, section 39; and Laws 1995, chapter 264, articles 2; sections 42, subdivision 1; and 44; 5, sections 40, subdivision 1; 44, subdivision 4; and 45, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 11A; 103D; 115B; 136A; 272; 273; 281; 287; 290; 290A; 297A; 315; 375; 428A; 462A; 469; and 477A; proposing coding for new law as Minnesota Statutes, chapters 276A; and 290B; repealing Minnesota Statutes 1994, sections 13.99, subdivision 97; 273.1316; 273.1317; 273.1318; 273.1398, subdivision 5b; 290.06, subdivision 21; 290.092; 295.37; 295.39; 295.40; 295.41; 295.42; 295.43; 295.50, subdivisions 8, 9, 9a, 11, 12, and 12a; 296.25, subdivision 1a; 297A.01, subdivision 20; 297A.14, subdivision 3; 297A.15, subdivision 5; 297A.24, subdivision 2; and 469.150; Minnesota Statutes 1995 Supplement, sections 270B.12, subdivision 11; 276.012; 290A.055; 290A.26; and 469.176, subdivision 7; Laws 1971, chapter 869, section 6, subdivision 3; Laws 1987, chapter 285; and Laws 1995, chapter 264, article 4.

Mr. Moe, R.D. moved that H.F. No. 3249 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2466: A bill for an act relating to traffic regulations; exempting first hauls of farm and forest products from certain additional registration taxes when weight restrictions are not exceeded by more than ten percent; allowing use of safety cables on trailers and semitrailers; providing for maximum civil penalties for gross weight violations when not preceded by two or more violations within 12 months; amending Minnesota Statutes 1994, sections 168.013, subdivision 3; 169.82, subdivision 3; and 169.871, by adding a subdivision.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2406: A bill for an act relating to the military; providing greater flexibility in appointment of members of the armory building commission; authorizing the state armory building commission to use funds for construction; clarifying which municipalities may provide sites for armories; changing provisions for disposal of unused armory sites; clarifying authority for levying taxes for armory construction; clarifying the authority for conveyance of armories to the state; amending Minnesota Statutes 1994, sections 193.142, subdivisions 1, 2, and 3; 193.143; 193.144, subdivisions 1, 2, and 6; 193.145, subdivisions 2, 4, and 5; and 193.148.

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 2206: A bill for an act relating to education; removing mandates from higher education; requiring increased accountability and performance for funding; amending Minnesota Statutes 1994, sections 15.43, subdivisions 2 and 3; 16B.01, subdivision 2; 16B.21, subdivisions 1 and 3; 16B.33, subdivisions 1, 3, 4, and by adding a subdivision; 16B.35, by adding a subdivision; 16B.41, subdivision 2; 16B.482; 16B.49; 16B.531; 16B.54, subdivision 1; 16B.85, subdivision 2; 43A.05, subdivision 4; 43A.10, subdivision 3; 123.70, subdivision 10; 135A.033; 135A.14, as amended; 137.37; 169.448, subdivision 2; 201.1611; and 248.07, subdivision 7; Minnesota Statutes 1995 Supplement, sections 16B.17, subdivision 6; 16B.465, subdivision 4; 43A.06, subdivision 1; 135A.181; 136A.101, subdivision 10; 136F.06, subdivisions 1 and 2; 136F.12; 136F.16, subdivision 3; 136F.18; 136F.30; 136F.36, subdivision 2; 136F.44; 136F.50; 136F.53, subdivisions 1 and 3; 136F.58; 136F.71, by adding a subdivision; 136F.72, subdivision 3; 136F.80, subdivision 2; and 169.441, subdivision 5; Laws 1995, chapter 212, article 2, sections 15; and 20, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 135A;

136A; and 136F; repealing Minnesota Statutes 1994, sections 137.03; 137.05; 137.06; 137.07; 137.08; 137.11; 137.14; 137.15; and 137.33; Minnesota Statutes 1995 Supplement, sections 135A.08; 136F.25; and 136F.59, subdivision 1; Laws 1995, chapter 212, article 1, section 6, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 15.43, subdivision 2, is amended to read:

Subd. 2. [TEXTBOOKS EXEMPTED.] Textbooks, software, and other course materials authored by an employee of the state's education systems Minnesota state colleges and universities or of the University of Minnesota may be used as required course material upon receipt of written approval from the head of the department. Instructors in state institutions and at the university may accept free samples of textbooks and related teaching materials.

Sec. 2. Minnesota Statutes 1994, section 15.43, subdivision 3, is amended to read:

Subd. 3. [OTHER EXEMPTIONS.] The commissioners of human services and corrections, ~~and the chancellors of the state university and community college systems~~ may by rule prescribe procedure for the acceptance of gifts from any person or organization, provided that such gifts are accepted by the commissioner ~~or chancellor~~, or a designated representative of the commissioner ~~or chancellor~~, and that such gifts are used solely for the direct benefit of patients, or inmates or students under the jurisdiction of the accepting state officer.

Sec. 3. Minnesota Statutes 1994, section 16B.01, subdivision 2, is amended to read:

Subd. 2. [AGENCY.] "Agency" means any state officer, employee, board, commission, authority, department, or other agency of the executive branch of state government. Unless specifically provided elsewhere in this chapter, agency does not include the Minnesota state colleges and universities.

Sec. 4. Minnesota Statutes 1995 Supplement, section 16B.17, subdivision 6, is amended to read:

Subd. 6. [EXCLUSIONS.] This section and section 16B.167 do not apply:

(1) ~~to Minnesota state college or university contracts to provide instructional services to public or private organizations, agencies, businesses, or industries;~~

(2) ~~to contracts with individuals or organizations for administration of employee pension plans authorized under chapter 354B or 354C; or~~

(3) ~~to instructional services provided to Minnesota state colleges or universities by organizations or individuals provided the contracts are consistent with terms of applicable labor agreements.~~

Sec. 5. Minnesota Statutes 1994, section 16B.21, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioner shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of trade and economic development indicating the progress being made toward the objectives and goals of sections 16B.19 to 16B.22, ~~137.31, 137.35, 161.321, and 473.142~~ during the preceding fiscal year. The commissioner shall also submit a quarterly report to the small business and targeted group procurement advisory council. These reports shall include the following information:

(1) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(2) the number of small businesses identified by and responding to the small business procurement program, the total dollar value and number of set-aside and other contracts actually

awarded to small businesses, and the total number of small businesses that were awarded set-aside and other contracts;

(3) the total dollar value and number of contracts awarded to small targeted group businesses pursuant to each bidding process authorized by sections 16B.19, subdivision 2c, ~~137.31, 137.35, 161.321, and 473.142~~; the total number and value of these contracts awarded to each small targeted group business and to each type of small targeted group business in each purchasing category, and the percentages of the total procurement for each purchasing category the figures represent;

(4) the total dollar value and number of contracts awarded to small businesses in economically disadvantaged areas under the bidding process authorized in section 16B.19, subdivision 2d; the total number and value of these contracts awarded to each business, and to all businesses within each economically disadvantaged area in each purchasing category, and the percentages of total procurement for each purchasing category the figures represent.

The information required by clauses (1) and (2) must be presented on a statewide basis and also broken down by geographic regions within the state.

Sec. 6. Minnesota Statutes 1994, section 16B.21, subdivision 3, is amended to read:

Subd. 3. [REPORTS FROM OTHER AGENCIES.] The commissioner of transportation, and each metropolitan agency listed in section 473.143, subdivision 1, ~~and the University of Minnesota~~ shall report to the commissioner of administration all information that the commissioner requests to make reports required under this section. The information must be reported at the time and in the manner requested by the commissioner of administration.

Sec. 7. Minnesota Statutes 1994, section 16B.33, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

(a) "Agency" has the meaning given in section 16B.01, and also includes the University of Minnesota and the Minnesota state colleges and universities.

(b) "Architect" means an architect or landscape architect registered to practice under sections 326.02 to 326.15.

(c) "Board" means the state designer selection board.

(d) "Designer" means an architect or engineer, or a partnership, association, or corporation comprised primarily of architects or engineers or of both architects and engineers.

(e) "Engineer" means an engineer registered to practice under sections 326.02 to 326.15.

(f) "Person" includes an individual, corporation, partnership, association, or any other legal entity.

(g) "Primary designer" means the designer who is to have primary design responsibility for a project, and does not include designers who are merely consulted by the user agency and do not have substantial design responsibility, or designers who will or may be employed or consulted by the primary designer.

(h) "Project" means an undertaking to construct, erect, or remodel a building by or for the state or an agency.

(i) "User agency" means the agency undertaking a specific project.

Sec. 8. Minnesota Statutes 1994, section 16B.33, subdivision 3, is amended to read:

Subd. 3. [AGENCIES MUST REQUEST DESIGNER.] (a) [APPLICATION.] (1) Upon undertaking a project with an estimated cost greater than \$750,000 or a planning project with estimated fees greater than \$60,000, every user agency, except the capitol area architectural and

planning board, the University of Minnesota, and the Minnesota state colleges and universities, shall submit a written request for a primary designer for its project to the commissioner, who shall forward the request to the board. The written request must include a description of the project, the estimated cost of completing the project, a description of any special requirements or unique features of the proposed project, and other information which will assist the board in carrying out its duties and responsibilities set forth in this section.

(2) Upon the undertaking, by the University of Minnesota or the Minnesota state colleges and universities, of a project either:

(i) involving renovation, repair, replacement, or rehabilitation, which does not significantly alter the design of the structure, with an estimated cost greater than \$1,250,000, or a planning project with estimated fees greater than \$125,000, or

(ii) involving new construction or significant structural design changes, with an estimated cost greater than \$1,000,000, or a planning project with estimated fees greater than \$100,000, the user agency shall submit a request for selection of a primary designer in the manner provided in clause (1).

(3) A user agency may utilize the designer selection board to select a primary designer for projects below the limits specified in clauses (1) and (2).

(4) In the event a project involves an emergency building system repair where the use of these procedures would involve risk to public health or safety or to the condition of the building, the user agency is not required to utilize the designer selection board under this section.

(b) [REACTIVATED PROJECT.] If a project for which a designer has been selected by the board becomes inactive, lapses, or changes as a result of project phasing, insufficient appropriations, or other reasons, the commissioner or the University of Minnesota or the Minnesota state colleges and universities may, if the project is reactivated, retain the same designer to complete the project.

(c) [FEE LIMIT REACHED AFTER DESIGNER SELECTED.] If a project initially estimated to be below the cost and planning fee limits of this subdivision has its cost or planning fees revised so that the limits are exceeded, the project must be referred to the board for designer selection even if a primary designer has already been selected. In this event, the board may, without conducting interviews, elect to retain the previously selected designer if it determines that the interests of the state are best served by that decision and shall notify the commissioner of its determination.

Sec. 9. Minnesota Statutes 1994, section 16B.33, subdivision 4, is amended to read:

Subd. 4. [DESIGNER SELECTION PROCESS.] (a) [PUBLICITY.] Upon receipt of a request from a user agency for a primary designer, the board shall publicize the proposed project in order to determine the identity of designers interested in the design work on the project. The board shall establish criteria for the selection process and make this information public, and shall compile data on and conduct interviews of designers. The board's selection criteria must include consideration of each interested designer's performance on previous projects for the state or any other person. Upon completing the process, the board shall select the primary designer and shall state its reasons in writing. Notification to the commissioner of the selection shall be made not more than 60 days after receipt from a user agency of a request for a primary designer. The commissioner shall promptly notify the designer and the user agency. The commissioner shall negotiate the designer's fee and prepare the contract to be entered into between the designer and the user agency.

(b) [CONFLICT OF INTEREST.] The board may not select a designer or firm in which a member of the designer selection board has a current financial interest.

(c) [SELECTION BY COMMISSIONER.] In the event the board receives a request for a primary designer on a project, the estimated cost of which is less than the limit established by subdivision 3, or a planning project with estimated fees of less than the limit established by subdivision 3, the board may submit the request to the commissioner of administration, with or

without recommendations, and the commissioner shall thereupon select the primary designer for the project.

(d) [SECOND SELECTION.] If the designer selected for a project declines the appointment or is unable to reach agreement with the commissioner on the fee or the terms of the contract, the commissioner shall, within 60 days after the first appointment, request the board to make another selection.

(e) [SIXTY DAYS TO SELECT.] If the board fails to make a selection and forward its recommendation to the commissioner within 60 days of the user agency's request for a designer, the commissioner may appoint a designer to the project without the recommendation of the board.

(f) [LESS THAN SATISFACTORY PERFORMANCE.] The commissioner, or the University of Minnesota and the Minnesota state colleges and universities for projects under its supervision, shall forward to the board a written report describing each instance in which the performance of a designer selected by the board or the commissioner has been less than satisfactory. Criteria for determining satisfaction include the ability of the designer to complete design work on time, to provide a design responsive to program needs within the constraints of the budget, to solve design problems and achieve a design consistent with the proposed function of the building, to avoid costly design errors or omissions, and to observe the construction work. These reports are public data and are available for inspection under section 13.03.

Sec. 10. Minnesota Statutes 1994, section 16B.35, is amended by adding a subdivision to read:

Subd. 4. [CAMPUSES.] Art for a building on a public college or university campus shall be selected by the campus, in consultation with the arts board. Consideration of the artwork of faculty and students on that campus is encouraged.

Sec. 11. Minnesota Statutes 1994, section 16B.36, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner may examine, investigate, or make a survey of the organization, administration, and management of state agencies and institutions under their control, and may assist state agencies by providing analytical, statistical, and organizational development services to them in order to secure greater efficiency and economy through reorganization or consolidation of agencies or functions and to eliminate duplication of function, effort, or activity, so far as possible. The commissioner shall periodically submit to the legislature a list of the studies being conducted for this purpose and any future studies scheduled at the time the list is submitted. For purposes of this section, the Minnesota state colleges and universities is a state agency.

Sec. 12. Minnesota Statutes 1994, section 16B.37, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER'S AUTHORITY.] To improve efficiency and avoid duplication, the commissioner may transfer personnel, powers, or duties, or any combination of them, from a state agency to another state agency that has been in existence for at least one year prior to the date of transfer. A transfer must have received the prior approval of the governor. The commissioner shall no later than January 15 of each year submit to the legislature a bill making all statutory changes required by reorganization orders issued by the commissioner during the preceding calendar year. For purposes of this section, the Minnesota state colleges and universities is a state agency.

Sec. 13. Minnesota Statutes 1994, section 16B.41, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITIES.] The office has the following duties:

(a) The office must develop and establish a state information architecture to ensure that further state agency development and purchase of information systems equipment and software is directed in such a manner that individual agency information systems complement and do not needlessly duplicate or needlessly conflict with the systems of other agencies. In those instances where state agencies have need for the same or similar computer data, the commissioner shall ensure that the most efficient and cost-effective method of producing and storing data for or sharing data between

those agencies is used. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. On January 1, 1988, and every six months thereafter, any state agency that has purchased information systems equipment or software in the past six months, or that is contemplating purchasing this equipment or software in the next six months, must report to the office and to the chairs of the house ways and means committee and the senate finance committee on how the purchases or proposed purchases comply with the applicable standards and guidelines.

(b) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's and the state's mission, requirements, and functions.

(c) The office must review and approve all agency requests for legislative appropriations for the development or purchase of information systems equipment or software. Requests may not be included in the governor's budget submitted to the legislature, unless the office has approved the request.

(d) Each biennium the office must rate agency requests for new appropriations for development or purchase of information systems equipment or software based on established information management criteria. The office must submit this rating to the legislature at the same time, or no later than 14 days after, the governor submits the budget message to the legislature. The governor must provide information necessary to rate agency requests to the office.

(e) The office must define, review, and approve major purchases of information systems equipment to (1) ensure that the equipment follows the standards and guidelines of the state information architecture; (2) ensure that the equipment is consistent with the information management principles adopted by the information policy council; (3) evaluate whether or not the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and (4) ensure the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency. The commissioner of finance may not allot funds appropriated for major purchases of information systems equipment until the office reviews and approves the proposed purchase. A public institution of higher education ~~must not~~ may purchase ~~interconnective~~ up to \$250,000 of equipment or other computer technology to connect the college or university to sites outside the institution without the prior approval of the office.

(f) The office shall review the operation of information systems by state agencies and provide advice and assistance so that these systems are operated efficiently and continually meet the standards and guidelines established by the office. These standards and guidelines shall emphasize uniformity that encourages information interchange, open systems environments, and portability of information whenever practicable and consistent with an agency's authority and the Minnesota government data practices act. The office, in consultation with the intergovernmental information systems advisory council and the legislative reference library, shall adopt specific standards and guidelines to be met by each state agency within a time period fixed by the office in regard to the following:

(1) establishment of methodologies and systems directed at reducing and ultimately eliminating redundant storage of data and encouraging greater use of central databases;

(2) establishment of data retention schedules, disaster recovery plans and systems, security systems, and procedural safeguards concerning privacy of data;

(3) establishment of pricing policies and incentives that encourage electronic transfer of information in electronic forms, while giving due consideration to the value and cost of providing the information in those forms. These pricing policies may include preferential prices for information requested by a public entity for a public purpose; and

(4) establishment of information sales systems that utilize licensing and royalty agreements to the greatest extent possible, together with procedures for agency denial of requests for licenses or royalty agreements by commercial users or resellers of the information. Section 3.751 does not apply to these licensing and royalty agreements and the agreements must include provisions that section 3.751 does not apply and that the state is immune from liability under the agreement.

If an agency needs additional funds to comply with the requirements of this paragraph, the agency must first obtain approval of the proposal by the office as required by paragraph (c) before submitting it to the legislature.

(g) The office must conduct a comprehensive review at least every three years of the information systems investments that have been made by state agencies and higher education institutions. The review must include recommendations on any information systems applications that could be provided in a more cost beneficial manner by an outside source. The office must report the results of its review to the legislature and the governor.

(h) The office shall recommend to the legislature any statutory changes that are necessary or desirable to accomplish the duties described in this subdivision.

(i) The office must report to the legislature by January 15 each year on progress in implementing paragraph (f), clauses (1) to (4).

Sec. 14. Minnesota Statutes 1995 Supplement, section 16B.465, subdivision 4, is amended to read:

Subd. 4. [PROGRAM PARTICIPATION.] (a) The commissioner may require the participation of state agencies, the state board of education, and the ~~governing boards board~~ of the ~~Minnesota state colleges and universities, the community colleges, and the technical colleges,~~ and may request the participation of the board of regents of the University of Minnesota, in the planning and implementation of the network to provide interconnective technologies. The commissioner shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system.

(b) A direct appropriation made to an educational institution for usage costs associated with the STARS network must only be used by the educational institution for payment of usage costs of the network as billed by the commissioner of administration. ~~The post-secondary appropriations may be shifted between systems as required by unanticipated usage patterns. An intersystem transfer must be requested by the appropriate system and may be made only after review and approval by the commissioner of finance, in consultation with the commissioner of administration.~~

Sec. 15. Minnesota Statutes 1994, section 16B.482, is amended to read:

16B.482 [REIMBURSEMENT FOR MATERIALS AND SERVICES.]

The commissioner of administration may provide materials and services under this chapter to state legislative and judicial branch agencies, political subdivisions, the Minnesota state colleges and universities, the University of Minnesota, and federal government agencies. ~~Legislative and judicial branch agencies, political subdivisions, the Minnesota state colleges and universities, the University of Minnesota, and federal government agencies purchasing materials and services from the commissioner of administration shall reimburse the general services, intertechnologies, and cooperative purchasing revolving funds for cost.~~

Sec. 16. Minnesota Statutes 1994, section 16B.49, is amended to read:

16B.49 [CENTRAL MAILING SYSTEM.]

The commissioner shall maintain and operate for agencies a central mailing system. Official mail of an agency occupying quarters within the boundaries of the city of St. Paul must be delivered unstamped to the central mailing station. Account must be kept of the postage required on that mail, which is then a proper charge against the agency delivering the mail. To provide funds for the payment of postage, each agency shall make advance payments to the commissioner sufficient to cover its postage obligations for at least 60 days. For purposes of this section, the Minnesota state colleges and universities is a state agency.

Sec. 17. Minnesota Statutes 1994, section 16B.531, is amended to read:

16B.531 [TRAVEL SERVICES.]

The commissioner may offer a centralized travel service to all state departments and agencies, and to the Minnesota state colleges and universities, and may, in connection with that service, accept payments from travel agencies under contracts for the provision of travel services. The payments must be deposited in the motor pool revolving account established by section 16B.54, subdivision 8, and must be used for the expenses of managing the centralized travel service. Revenues in excess of the management costs of the centralized service must be returned to the general fund.

Sec. 18. Minnesota Statutes 1994, section 16B.54, subdivision 1, is amended to read:

Subdivision 1. [MOTOR POOLS.] The commissioner shall manage a central motor pool of passenger motor vehicles and trucks used by state agencies with principal offices in the city of St. Paul and may provide for branch central motor pools at other places within the state. For purposes of this section, (1) "agencies" includes the Minnesota state colleges and universities, and (2) "truck" means a pickup or panel truck up to one ton carrying capacity.

Sec. 19. Minnesota Statutes 1994, section 16B.85, subdivision 2, is amended to read:

Subd. 2. [RISK MANAGEMENT FUND.] (a) All state agencies, and the Minnesota state colleges and universities, may, in cooperation with the commissioner, participate in insurance programs and other funding alternative programs provided by the risk management fund.

(b) When an agency or agencies enter into an insurance or self-insurance program, each agency shall contribute the appropriate share of its costs as determined by the commissioner.

(c) The money in the fund to pay claims arising from state activities and for administrative costs, including costs for the adjustment and defense of the claims, is appropriated to the commissioner.

(d) Interest earned from the investment of money in the fund shall be credited to the fund and be available to the commissioner for the expenditures authorized in this subdivision.

(e) The fund is exempt from the provisions of section 16A.152, subdivision 4. In the event that proceeds in the fund are insufficient to pay outstanding claims and associated administrative costs, the commissioner, in consultation with the commissioner of finance, may assess state agencies participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each agency.

Sec. 20. Minnesota Statutes 1994, section 43A.05, subdivision 4, is amended to read:

Subd. 4. [TIME OFF IN EMERGENCIES.] The commissioner shall authorize appointing authorities to pay for time off in emergencies. The commissioner, after consultation with the commissioner of public safety, may excuse employees from duty with full pay in the event of a natural or other emergency, if continued operation would involve a threat to the health or safety of individuals. Absence with pay shall not exceed 16 working hours at any one time unless the commissioner authorizes a longer duration. Authority to excuse employees from duty with full pay on the campuses of the Minnesota state colleges and universities is vested in the college and university presidents, under guidelines established by the board of trustees of the Minnesota state colleges and universities.

Sec. 21. Minnesota Statutes 1995 Supplement, section 43A.06, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) The commissioner, through the labor relations bureau, shall perform the duties assigned to the commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

(b) The deputy commissioner for the labor relations bureau shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c).

~~(c) In consultation with the commissioner of employee relations and except as specified in this paragraph, The board of trustees of the Minnesota state colleges and universities may exercise the powers under this section for employees included in units 9, 10, 11, and 12 in section 179A.10, subdivision 2. The power and authority to engage in collective bargaining or to enter into interest arbitration remains with the commissioner of employee relations, who shall exercise those powers in consultation with the board of trustees of the Minnesota state colleges and universities. The commissioner of employee relations shall have the right to review and comment to the Minnesota state colleges and universities on the board's final proposals prior to exchange of final positions with the designated bargaining units as well as any requests for interest arbitration. When submitting a proposed collective bargaining agreement to the legislative coordinating commission and the legislature under section 3.855, subdivision 2, the board of trustees must use procedures and assumptions consistent with those used by the commissioner of employee relations in calculating the costs of the proposed contract.~~

Sec. 22. Minnesota Statutes 1994, section 43A.10, subdivision 3, is amended to read:

Subd. 3. [FACILITIES FURNISHED EXAMINERS.] The authorities having control of public buildings in political subdivisions of the state and school districts, upon written request of the commissioner, shall furnish ~~without charge~~ convenient facilities for the administration of examinations. Upon such request, it shall be the duty of state and local authorities and employees, as it is consistent with their other duties, to aid in carrying out the provisions of this section. Campuses of the Minnesota state colleges and universities may charge the commissioner for actual costs incurred in providing facilities for examinations, provided that the costs were incurred due solely to the examination.

Sec. 23. Minnesota Statutes 1994, section 123.70, subdivision 10, is amended to read:

Subd. 10. A statement required to be submitted under subdivisions 1, 2, and 4 to document evidence of immunization shall include month, day, and year for immunizations administered after January 1, 1990.

(a) For persons enrolled in grades 7 and 12 during the ~~1992-1993~~ 1996-1997 school term, the statement must indicate that the person has received ~~at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart~~ a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(b) For persons enrolled in grades 7, 8, and 12 during the ~~1993-1994~~ 1997-1998 school term, the statement must indicate that the person has received ~~at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart~~ a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(c) For persons enrolled in grades 7, 8, 9, and 12 during the ~~1994-1995~~ 1998-1999 school term, the statement must indicate that the person has received ~~at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart~~ a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(d) For persons enrolled in grades 7, 8, 9, 10, and 12 during the ~~1995-1996~~ 1999-2000 school term, the statement must indicate that the person has received ~~at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart~~ a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(e) For persons enrolled in grades 7 through 12 during the 2000-2001 school term and for each year thereafter, the statement must indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(f) For persons enrolled in grades 7 through 12 during the 1996-1997 school year and for each year thereafter, the statement must indicate that the person has received at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart.

Sec. 24. Minnesota Statutes 1994, section 135A.033, is amended to read:

135A.033 [PERFORMANCE FUNDING.]

The governing boards of the University of Minnesota, ~~the state universities, the community colleges, and the technical colleges~~ and the Minnesota state colleges and universities, in conjunction with their respective campuses, shall each specify performance categories and indicators relating to section 135A.053, subdivision 1, to be used for policy and appropriations decisions, as well as allocations for rewarding campuses that achieve performance levels and assisting campuses that are unable to achieve these levels. Because the mission of each system and type of campus varies, categories and indicators shall vary accordingly.

Sec. 25. [135A.053] [STATE HIGHER EDUCATION POLICY.]

Subdivision 1. [STATEWIDE OBJECTIVES.] Minnesota's higher education investment is made in pursuit of the following objectives:

(1) to ensure quality - to provide a level of excellence that is competitive on a national and international level, through high quality teaching, scholarship, and learning in a broad range of arts and sciences, technical education, and professional fields;

(2) to foster student success - to enable and encourage students to choose institutions and programs that are best suited for their talents and abilities, and to provide an educational climate that supports students in pursuing their goals and aspirations;

(3) to promote democratic values - to enhance Minnesota's quality of life by developing understanding and appreciation of a free and diverse society;

(4) to maintain access - to provide an opportunity for all Minnesotans, regardless of personal circumstances, to participate in higher education; and

(5) to enhance the economy - to assist the state in being competitive in the world market, and to prepare a highly skilled and adaptable workforce that meets Minnesota's opportunities and needs.

Subd. 2. [PERFORMANCE AND ACCOUNTABILITY.] Higher education systems and campuses are expected to achieve the objectives in subdivision 1 and will be held accountable for doing so. The legislature is increasing the flexibility of the systems and campuses to provide greater responsibility to higher education in deciding how to achieve statewide objectives, and to decentralize authority so that those decisions can be made at the level where the education is delivered. To demonstrate their accountability, the legislature expects each system and campus to measure and report on its performance, using meaningful indicators that are critical to achieving the objectives in subdivision 1, as provided in section 135A.033. Nothing in this section precludes a system or campus from determining its own objectives and performance measures beyond those identified in this section.

Sec. 26. Minnesota Statutes 1994, section 135A.14, as amended by Laws 1995, chapter 212, article 3, section 59, and Laws 1995, First Special Session chapter 3, article 16, section 13, is amended to read:

135A.14 [STATEMENT OF IMMUNIZATION OF POST-SECONDARY STUDENTS.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them.

(a) "Administrator" means the administrator of the institution or other person with general control and supervision of the institution.

(b) "Public or private post-secondary educational institution" or "institution" means any of the following institutions having an enrollment of more than 100 persons during any quarter, term, or semester during the preceding year: (1) the University of Minnesota; (2) the state universities; (3) the state community colleges; (4) public technical colleges; (5) private four-year, professional and graduate institutions; (6) private two-year colleges; and (7) schools subject to either chapter 141, sections 136A.61 to 136A.71, or schools exempt under section 136A.657, and which offer educational programs within the state for an academic year greater than six consecutive months.

An institution's report to the Minnesota higher education services office or the Minnesota department of children, families, and learning may be considered when determining enrollment.

(c) "Student" means a person born after 1956 who did not graduate from a Minnesota high school in 1997 or later, and who is (1) registering for more than one class during a full academic term, such as a quarter or a semester; or (2) housed on campus and is registering for one or more classes. Student does not include persons enrolled in extension classes only or correspondence classes only.

Subd. 2. [STATEMENT OF IMMUNIZATION REQUIRED.] Except as provided in subdivision 3, no student may remain enrolled in a public or private post-secondary educational institution unless the student has submitted to the administrator a statement that the student has received appropriate immunization against measles, rubella, and mumps after having attained the age of 12 months, and against diphtheria and tetanus within ten years of first registration at the institution. This statement must indicate the month and year of each immunization given. Instead of submitting a statement, a student may provide an immunization record maintained by a school according to section 123.70, subdivision 7, or a school in another state if the required information is contained in the record. A student who has submitted a statement as provided in this subdivision, may transfer to a different Minnesota institution without submitting another statement if the student's transcript or other official documentation indicates that the statement was submitted.

Subd. 3. [EXEMPTIONS FROM IMMUNIZATION.] (a) An immunization listed in subdivision 2 is not required if the student submits to the administrator a statement signed by a physician that shows:

(1) that, for medical reasons, the student did not receive an immunization;

(2) that the student has experienced the natural disease against which the immunization protects; or

(3) that a laboratory has confirmed the presence of adequate immunity.

(b) If the student submits a notarized statement that the student has not been immunized as required in subdivision 2 because of the student's conscientiously held beliefs, the immunizations described in subdivision 2 are not required. The institution shall forward this statement to the commissioner of health.

Subd. 4. [IMMUNIZATION FILES REQUIRED.] The institution must maintain an immunization record ~~within the student's file for all students~~ each student governed by this section for at least one year from the time of original filing. The immunization records may be inspected by the department of health and the local board of health in whose jurisdiction the institution is located.

Subd. 5. [DEADLINE FOR SUBMITTING STATEMENT.] The institution shall require that the statement from the student, as required within subdivision 2 or 3, be submitted within 45 days of commencement of the academic term for which the student has registered.

Sec. 27. Minnesota Statutes 1995 Supplement, section 135A.181, subdivision 2, is amended to read:

Subd. 2. [COMMON CALENDAR.] ~~In converting to the semester system required in subdivision 1 shall be offered on a common calendar throughout all, the campuses under the jurisdiction of the board of trustees of the Minnesota state colleges and universities. This calendar, in consultation with the system office, shall set calendars that best meet the needs of students, including those jointly enrolled in local school districts and other cooperative programs. Common calendars shall include be a priority at colocated campuses including a common start and end date for each semester as well as common summer school schedules. The board of trustees may exempt a campus from this calendar if they determine that because of extenuating circumstances an alternative calendar would better serve students' needs.~~

Sec. 28. Minnesota Statutes 1995 Supplement, section 136A.101, subdivision 10, is amended to read:

Subd. 10. "Satisfactory academic progress" means that:

(1) at a point between by the end of a student's first and second academic year of attendance at an institution, the student has at least a cumulative grade point average of C or its equivalent, or academic standing consistent with the institution's graduation requirements; and

(2) by the end of the first term of the third and fourth academic year of attendance, (i) the student has a cumulative grade point average of at least a C or its equivalent, (ii) the student's advisor certifies that the student has reviewed the general education requirements necessary for graduation and is making satisfactory progress toward completing them, and (iii) the student's advisor certifies that the student has chosen a major and reviewed the requirements necessary for completion of the major.

Exceptions may be granted if the student's failure to attain the required grade point average is caused by:

- (1) the death of a relative of the student;
- (2) an injury or illness of the student; or
- (3) other special circumstances.

Sec. 29. [136A.1312] [FINANCIAL AID ADMINISTRATOR, PROFESSIONAL JUDGMENT.]

Nothing in this chapter or in the office's rules shall be interpreted as limiting the ability of student financial aid administrators, on the basis of adequate documentation, to make necessary adjustments to the cost of attendance and expected family contribution computations to allow for treatment of individual students with special circumstances with the exception of the cost of attendance defined under section 136A.121, subdivision 6. In addition, nothing in this chapter or in the office's rules shall be interpreted as limiting the ability of the student financial aid administrator to use supplementary information about the financial status of eligible applicants with special circumstances in selecting recipients of state financial aid and determining the amount of awards.

Sec. 30. [136A.1313] [FINANCIAL AID AUDITS.]

Beginning with audits for fiscal year 1996, in place of the audits provided by the office, public institutions that administer state grants under decentralized delivery may arrange for audits of state financial aid awards and tuition reciprocity recipients in conjunction with their audits for federal financial aid. Audits must be conducted in compliance with guidelines and materials prepared by the office. The office shall develop a review process including procedures for responding to audit exceptions. All other institutions under decentralized delivery may arrange for audits under this section beginning with audits for fiscal year 1997.

Sec. 31. Minnesota Statutes 1995 Supplement, section 136F.06, subdivision 1, is amended to read:

Subdivision 1. [GENERAL AUTHORITY.] The board shall possess all powers necessary to govern the state colleges and universities and all related property. Those powers shall include, but are not limited to, those enumerated in this section. The board shall prescribe courses of study and conditions of admission, set tuition and fees, ~~prescribe~~ approve programs of study and requirements for completion of programs, approve the awarding of appropriate certificates, diplomas, and degrees, enter into contracts and other agreements, and adopt suitable policies for the institutions it governs. To the extent practicable in protecting statewide interests, the board shall provide autonomy to the campuses while holding them accountable for their decisions. Sections 14.01 to 14.47 do not apply to policies and procedures of the board.

Sec. 32. Minnesota Statutes 1995 Supplement, section 136F.06, subdivision 2, is amended to read:

Subd. 2. [GOVERNANCE AUTHORITY.] The board shall have the authority needed to operate and govern the state colleges and universities unless otherwise directed or ~~limited prohibited by law.~~ The board is responsible for its operations and necessary decisions unless these are specifically delegated by law to a state department or agency.

Sec. 33. Minnesota Statutes 1995 Supplement, section 136F.12, is amended to read:

136F.12 [FOND DU LAC CAMPUS.]

The Fond du Lac campus has a unique mission among two-year colleges to serve the lower division general education needs in Carlton and south St. Louis counties, and the education needs of American Indians throughout the state and especially in northern Minnesota. Accordingly, while the college is governed by the board of trustees, its governance is accomplished in conjunction with the board of directors of Fond du Lac tribal college. ~~By July 1, 1995, the board of trustees and the board of directors of Fond du Lac tribal college shall implement the mechanisms necessary to accomplish the sharing of authority while ensuring accountability for college actions. The mechanisms shall supersede any previous arrangement, agreement, or memorandum of understanding.~~

Sec. 34. Minnesota Statutes 1995 Supplement, section 136F.16, subdivision 3, is amended to read:

Subd. 3. [OFF-CAMPUS SITES.] The board shall not establish off-campus centers or other permanent sites to provide academic programs, courses, or student services without authorizing legislation. For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area. This section does not apply to sites set up specifically for the delivery of courses and programs through telecommunications.

Sec. 35. Minnesota Statutes 1995 Supplement, section 136F.18, is amended to read:

136F.18 [CAMPUS CLOSING.]

The board may close a campus or center under its jurisdiction according to policies adopted by the board. Prior to closing a campus or center, the board shall hold a public hearing on the issue in the area which would be affected by the closing. At the hearing affected persons shall have an opportunity to present testimony. ~~The board shall give notice of this hearing by publishing notice in the State Register and in a newspaper of general circulation in the affected area at least 30 days before the scheduled hearing.~~

Sec. 36. Minnesota Statutes 1995 Supplement, section 136F.30, is amended to read:

136F.30 [COURSES AND PROGRAMS.]

The board shall ~~prescribe the courses review and approve or disapprove campus proposals for adding, deleting, or substantially changing programs of study, including graduate and undergraduate academic programs, training in professional, semiprofessional, and technical fields, and adult education.~~ The board shall avoid duplicate program offerings. The board may initiate activities to close programs. The board shall place a high priority on ensuring the transferability of credit.

Sec. 37. Minnesota Statutes 1995 Supplement, section 136F.36, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] ~~The sale requirements of chapters 92 and 94 do not apply to this section, nor do the leasing provisions of section 16B.24, nor do the construction supervision and control provisions of sections 16B.30 to 16B.335. The board shall develop policies for leasing requirements and construction supervision. The board will normally competitively bid contracts related to instructional construction but, notwithstanding the provisions of sections 16B.07 to 16B.09, may negotiate contracts without competitive bidding where it deems appropriate.~~

Sec. 38. [136F.42] [PERSONNEL MANAGEMENT.]

Subdivision 1. [TIME REPORTING.] As provided in executive order 96-2, the board, in consultation with the commissioners of employee relations and finance, may develop policies to allow system office or campus employees on salaries, as defined in section 43A.17, subdivision 1, to use negative time reporting in which employees report only that time for which leave is taken. By the end of the 1997 fiscal year, the board, in consultation with the commissioners of employee relations and finance, shall evaluate the use of negative time reporting and its potential for use with other state employees.

Subd. 2. [TRAVEL POLICIES.] Notwithstanding chapter 43A, the board may adopt policies for colleges and universities to approve and administer travel arrangements, other than reimbursement, for employees on campus, and for the system office to provide the same services for employees in that office.

Sec. 39. Minnesota Statutes 1995 Supplement, section 136F.44, subdivision 2, is amended to read:

~~Subd. 2. [EVALUATION INFORMATION.] Each state university, community college, and technical college campus shall provide an evaluation of this activity to the board, and The board shall include a summary of campus and system activities related to subdivision 1 in its 1998-1999 biennial budget request.~~

Sec. 40. Minnesota Statutes 1995 Supplement, section 136F.50, is amended to read:

136F.50 [COOPERATION OR PROMOTION OF A STATE COLLEGE OR UNIVERSITY.]

The board, system office, and the campuses may cooperate by contractual arrangement or otherwise with responsible persons, firms, corporations, associations, or governmental agencies to promote short courses, research, and other programs and activities in the state colleges and universities as in the judgment of the board, system office, or a campus contribute to the development of the state colleges and universities and the welfare of their students.

Sec. 41. [136F.526] [AUDITS.]

Each college and university shall be audited as provided by board policy. The policy shall be designed to ensure financial integrity, necessary internal controls, and appropriate accordance between board policies and campus expenditures. The college or university may arrange for any additional audits it desires by contracting with the legislative auditor or a private certified public accountant. Nothing in this section shall limit the authority of the legislative auditor to perform selected scope audits or other duties of the office as provided under section 3.971.

Sec. 42. Minnesota Statutes 1995 Supplement, section 136F.53, subdivision 1, is amended to read:

~~Subdivision 1. [BOARD POWER CAMPUS PARKING AUTHORITY.] Notwithstanding section 169.966, the board may authorize a state college or university to may adopt and enforce policies, regulations, or ordinances for the regulation of traffic and parking in parking facilities and on private roads and roadways situated on property owned, leased, occupied, or operated by the state college or university.~~

Sec. 43. Minnesota Statutes 1995 Supplement, section 136F.53, subdivision 3, is amended to read:

~~Subd. 3. [DISPUTES.] A state college or university, with the approval of the board, shall establish procedures to resolve a dispute arising from enforcement of a policy.~~

Sec. 44. Minnesota Statutes 1995 Supplement, section 136F.58, is amended to read:

136F.58 [BOOKSTORES.]

~~The board may permit~~ A state college or university ~~to conduct~~ may operate a bookstore in a state college or university building, or may allocate space in a state college or university building and permit a person or corporation to ~~conduct~~ operate a bookstore therein without rent at the

board's campus' pleasure and on such conditions as the board may impose. The board may provide insurance, at no cost to the state, for the inventory of a bookstore a state college or university conducts in its building.

Sec. 45. [136F.581] [LOCAL SPENDING AUTHORITY.]

Subdivision 1. [POLICIES AND PROCEDURES.] The board shall develop policies for purchasing goods and services, and for contracts for construction, alteration, repair, or maintenance of real property. In addition, each college and university, in consultation with the system office, shall develop procedures for those purchases and contracts that can be accomplished by a college or university without board approval. The board policies may allow each college and university the local authority to enter into contracts for construction projects of up to \$250,000 and to make other purchases of up to \$50,000, without receiving board approval. The board may allow a college or university local authority to make purchases over \$50,000 without receiving board approval.

Subd. 2. [REQUIREMENTS.] The policies and procedures developed by the board and by individual colleges and universities must comply with the following requirements:

(1) If the amount of the contract is estimated to be \$10,000 or less, the policies and procedures must be consistent with section 471.345, subdivision 5.

(2) If the amount of the contract is estimated to exceed \$10,000 but not to exceed \$25,000, the policies and procedures must be consistent with section 471.345, subdivision 4.

(3) If the amount of the contract is estimated to exceed \$25,000, the policies and procedures must be consistent with section 471.345, subdivision 3.

(4) The policies and procedures must include provisions for procurement, including construction, from small targeted group businesses and small businesses located in an economically disadvantaged areas as designated under section 16B.19. The preferences granted under such policies and procedures shall be consistent with section 16B.19, subdivisions 2c and 2d, or consistent with the University of Minnesota's targeted group business purchasing program.

Subd. 3. [PROFESSIONAL OR TECHNICAL SERVICES.] (a) The board shall develop policies for entering into contracts for professional or technical services, other than instructional services. The policies must allow each college and university the authority to enter into contracts for professional or technical services up to \$15,000 without board approval. The board may allow a college or university authority to enter into contracts for professional or technical services over \$15,000 without receiving board approval.

(b) Each college and university, in consultation with the system office, shall develop procedures to enter into contracts for professional or technical services.

(c) The policies and procedures developed by the board and by each college and university for professional or technical service contracts must be done in consultation with employees and their exclusive bargaining representatives and must address topics such as employee protections, information availability and reporting, conflict of interest, and renewal restrictions.

Sec. 46. [136F.582] [LOCAL CONTRACTING AUTHORITY.]

College and university presidents may enter into contracts to provide customized training or for short-term leases of instructional space or equipment without additional authorization.

Sec. 47. [136F.61] [STATE BUILDING CODE.]

All Minnesota state college and university facilities are subject to the provisions of the state building code under chapter 16B.

Sec. 48. [136F.67] [FINANCING OF CHILD CARE; PARKING.]

Subdivision 1. [AUTHORIZATION.] A technical college or a community college must not

seek financing for child care facilities or parking facilities through the higher education facilities authority, as provided in section 136A.28, subdivision 7, without the explicit authorization of the board.

Subd. 2. [PARKING.] State appropriations for repair or construction of parking facilities must not be used for more than one-third of the repair or construction cost of a parking facility at any technical college or community college campus. The campus must provide the remaining costs through local revenue.

Sec. 49. Minnesota Statutes 1995 Supplement, section 136F.72, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATION.] ~~The board~~ Each college and university, independent of other authority and notwithstanding chapters 16A and 16B, shall administer the money collected for the state colleges and universities its activity funds and the administrative fund. The board shall administer the administrative fund established in the system office. All activity fund money collected shall be administered under the policies of the board subject to audit of the legislative auditor.

Sec. 50. Minnesota Statutes 1995 Supplement, section 136F.80, subdivision 2, is amended to read:

Subd. 2. [DEPOSIT OF MONEY.] The board shall provide by policy, in accordance with provisions of chapter 118, for the deposit of all money received or referred to under this section. Whenever the board shall by resolution determine that there are moneys in the state college or university funds not currently needed, the board may by resolution authorize and direct the president of the college or university to invest a specified amount in securities as are duly authorized as legal investments for savings banks and trust companies. Securities so purchased shall be deposited and held for the board by any bank or trust company authorized to do a banking business in this state. Notwithstanding the provisions of chapter 118, the state board of investment may invest assets of the board, colleges, and universities when requested by the board, college, or university.

Sec. 51. Minnesota Statutes 1994, section 137.37, is amended to read:

137.37 [OFF-CAMPUS SITES AND CENTERS.]

The board of regents and the university campuses are requested to not establish any off-campus centers or other permanent sites located off university campuses to provide academic programs, courses, or student services without authorizing legislation. This section does not apply to sites set up specifically for the delivery of courses and programs through telecommunications.

Sec. 52. Minnesota Statutes 1995 Supplement, section 169.441, subdivision 5, is amended to read:

Subd. 5. [OPTIONAL MARKINGS; RULES.] ~~A school district or technical college~~ may elect to show on the front and rear of the school buses that it owns or contracts for, a plainly visible, summary message explaining section 169.444, subdivisions 1 and 2. If the school district or technical college elects to display the message, it must conform with the rules of the commissioner of children, families, and learning. The commissioner shall adopt rules governing the size, type, design, display, and content of the summary message that may be shown.

Sec. 53. Minnesota Statutes 1994, section 169.448, subdivision 2, is amended to read:

Subd. 2. [SCHOOL MOTOR COACHES.] (a) ~~Neither A school district nor a technical college~~ may not acquire a motor coach for transportation purposes.

(b) ~~A motor coach acquired by a school district or technical college before March 26, 1986,~~ may be used by it only to transport students participating in school activities, their instructors, and supporting personnel to and from school activities. A motor coach may not be outwardly equipped and identified as a school bus. A motor coach operated under this subdivision is not a school bus for purposes of section 124.225. The state board of education shall implement rules governing the

equipment, identification, operation, inspection, and certification of motor coaches operated under this subdivision.

(c) After January 1, 1998, ~~neither a school district nor a technical college~~ may not own or operate a motor coach for any purpose.

Sec. 54. Minnesota Statutes 1994, section 201.1611, is amended to read:

201.1611 [POST-SECONDARY INSTITUTION VOTER REGISTRATION.]

Subdivision 1. [FORMS.] All post-secondary institutions that enroll students accepting state or federal financial aid shall provide voter registration forms to each student ~~upon payment of tuition, fees, and activities funds at the commencement of~~ as early as possible in the fall quarter. The forms must contain spaces for the information required in section 201.071, subdivision 1, and applicable rules of the secretary of state. The institutions may request these forms from the secretary of state. Institutions shall consult with their campus student government in determining the most effective means of distributing the forms and in seeking to facilitate election day registration of students under section 201.061, subdivision 3.

Subd. 2. [STUDENT VOTER REGISTRATION.] ~~Upon registration or receipt of payment of fees, students must be asked if they want to register to vote at the same time.~~ A copy of each completed voter registration form must be sent to the county auditor of the county in which the voter maintains residence or to the secretary of state as soon as possible. All completed voter registration forms must be forwarded ~~to the county auditor within five days and in no case later than 21 days before the general election.~~

Sec. 55. Minnesota Statutes 1994, section 248.07, subdivision 7, is amended to read:

Subd. 7. [BLIND, VENDING STANDS AND MACHINES ON GOVERNMENTAL PROPERTY.] Notwithstanding any other law, for the rehabilitation of blind persons the commissioner shall have exclusive authority to establish and to operate vending stands and vending machines in all buildings and properties owned or rented exclusively by the Minnesota state colleges and universities at a state university ~~or, a community college systems, a consolidated community technical college, or a technical college served by the commissioner before January 1, 1996,~~ or by any department or agency of the state of Minnesota except the department of natural resources properties operated directly by the division of state parks and not subject to private leasing. The merchandise to be dispensed by such vending stands and machines may include nonalcoholic beverages, food, candies, tobacco, souvenirs, notions and related items. Such vending stands and vending machines herein authorized shall be operated on the same basis as other vending stands for the blind established and supervised by the commissioner under federal law. The commissioner shall waive this authority to displace any present private individual concessionaire in any state-owned or rented building or property who is operating under a contract with a specific renewal or termination date, until the renewal or termination date. With the consent of the governing body of a governmental subdivision of the state, the commissioner may establish and supervise vending stands and vending machines for the blind in any building or property exclusively owned or rented by the governmental subdivision.

Sec. 56. Laws 1995, chapter 212, article 2, section 20, subdivision 1, is amended to read:

Subdivision 1. [PLAN.] The state universities, community colleges, and technical colleges shall each develop and implement plans, in conjunction with the board of trustees, to provide students with job placement history and projected demand ~~to students at the time the student declares a major program or field of study for careers in major programs or fields of study.~~ The University of Minnesota campuses are requested to develop and implement similar plans. These plans may allow for this information to be provided through such means as in-person student advising or electronic delivery, as determined by the campus to best address student needs.

Sec. 57. Laws 1995, chapter 212, article 2, section 20, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] Information provided must include program placement history, and projected demand in the field and in associated types of placement, using labor market forecasting

information from the department of economic security or similar materials. The plan must provide for students to indicate in writing that they received the information.

Sec. 58. [MINNESOTA STATE COLLEGE AND UNIVERSITY POLICIES.]

Subdivision 1. [GENERAL.] In establishing system policies under this section and elsewhere in this act, the system office and campus representatives shall consult with the departments of administration, employee relations, and finance.

Subd. 2. [PROPERTY DISPOSAL POLICY.] Notwithstanding Minnesota Statutes, section 15.054, Minnesota state college and university system and campus officials, in consultation with the department of administration, shall establish an efficient method for the disposal and exchange of property and equipment no longer needed by the system office or a campus, but that might be of use to another college or university in the system.

Subd. 3. [ENVIRONMENTALLY RESPONSIBLE PRACTICES.] The board shall develop: (1) resource recovery policies that ensure recycling in the system office and at the colleges and universities is at least maintained at the current level; and (2) environmentally responsible practices that are consistent in their intent and goals with Minnesota Statutes, sections 16B.121 and 115A.15, and related administrative policies.

Sec. 59. [FINANCIAL AID RULES.]

The higher education services office shall eliminate the requirement that schools document that students have been counseled regarding responsibilities as SELF loan borrowers. Schools shall have a campus policy for counseling students about their obligations and responsibilities as SELF borrowers. This counseling may be done in conjunction with federal loan counseling. The office shall work with the Minnesota association of financial aid administrators to determine a solution to the problems created by different federal and state disbursement schedules and to improve the process relating to holds on state grants for nonpayment of child support.

Sec. 60. [CONTRACT LIABILITY.]

Any procurement contract involving the department of administration that (1) was entered into before March 1, 1996, and (2) would be breached without the participation of the Minnesota state colleges and universities as determined by the attorney general, shall remain in effect until the first time that the Minnesota state colleges and universities can be excluded without liability.

Sec. 61. [REPEALER.]

Minnesota Statutes 1994, sections 137.03; 137.05; 137.06; 137.07; 137.08; 137.11; 137.14; 137.15; and 137.33; and Minnesota Statutes 1995 Supplement, section 136F.59, subdivision 1, are repealed.

Sec. 62. [EFFECTIVE DATE.]

Sections 1, 2, 5 to 10, 13 to 15, 24 to 29, 31 to 36, 39 to 44, 46, and 50 to 61 are effective the day following final enactment.

Sections 3, 4, 11, 12, 16 to 23, 30, 37, 38, 45, 47, 48, and 49 are effective July 1, 1996."

Delete the title and insert:

"A bill for an act relating to education; removing mandates from higher education; requiring increased accountability and performance for funding; amending Minnesota Statutes 1994, sections 15.43, subdivisions 2 and 3; 16B.01, subdivision 2; 16B.21, subdivisions 1 and 3; 16B.33, subdivisions 1, 3, and 4; 16B.35, by adding a subdivision; 16B.36, subdivision 1; 16B.37, subdivision 1; 16B.41, subdivision 2; 16B.482; 16B.49; 16B.531; 16B.54, subdivision 1; 16B.85, subdivision 2; 43A.05, subdivision 4; 43A.10, subdivision 3; 123.70, subdivision 10; 135A.033; 135A.14, as amended; 137.37; 169.448, subdivision 2; 201.1611; and 248.07, subdivision 7; Minnesota Statutes 1995 Supplement, sections 16B.17, subdivision 6; 16B.465, subdivision 4; 43A.06, subdivision 1; 135A.181, subdivision 2; 136A.101, subdivision 10; 136F.06, subdivisions

1 and 2; 136F.12; 136F.16, subdivision 3; 136F.18; 136F.30; 136F.36, subdivision 2; 136F.44, subdivision 2; 136F.50; 136F.53, subdivisions 1 and 3; 136F.58; 136F.72, subdivision 3; 136F.80, subdivision 2; and 169.441, subdivision 5; Laws 1995, chapter 212, article 2, section 20, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; and 136F; repealing Minnesota Statutes 1994, sections 137.03; 137.05; 137.06; 137.07; 137.08; 137.11; 137.14; 137.15; and 137.33; Minnesota Statutes 1995 Supplement, section 136F.59, subdivision 1."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1866: A bill for an act relating to health; providing for the isolation and detention of persons with active tuberculosis who pose an endangerment to the public health; establishing standards and procedures for isolation and detention; requiring reporting by licensed health professionals; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 15, delete lines 15 to 26 and insert:

"The costs incurred by the hospital and other providers of services to treat the carrier must be borne by the carrier, the carrier's health plan, or by the state through the public assistance programs. If the carrier cannot pay the full cost of care, or the carrier does not have private health insurance coverage, or the carrier is not eligible for any of the public assistance programs, the carrier shall apply for financial assistance with the aid of the county. For persons not otherwise eligible for public assistance, the commissioner of human services shall determine what, if any, costs the carrier is responsible for paying, and may waive eligibility requirements for general assistance medical care described in section 256D.03, subdivision 3. If the commissioner waives eligibility requirements, payments shall be made at the general assistance medical care rate."

Page 16, after line 4, insert:

"Sec. 13. [APPROPRIATION.]

\$44,000 is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1997, for the purpose of covering the cost of care under section 11."

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "appropriating money;"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 891: A bill for an act relating to occupations and professions; establishing the board of licensed professional counseling; requiring professional counselors to be licensed; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1994, sections 148A.01, subdivision 5; and 609.341, subdivision 17; Minnesota Statutes 1995 Supplement, sections 116J.70, subdivision 2a; 148B.60, subdivision 3; 214.01, subdivision 2; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1994, sections 148B.63; 148B.64; 148B.65; 148B.67; 148B.69; 148B.70; and 148.71; Minnesota Statutes 1995 Supplement, sections 148B.60; 148B.61; 148B.62; 148B.66; and 148B.68.

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

Page 18, line 4, delete "\$....." and insert "\$190,000"

Page 18, line 15, delete "19 and" and delete "90 days following" and insert "July 1, 1996"

Page 18, line 16, delete "final enactment"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2209: A bill for an act relating to motor vehicles; defining electric assisted bicycles; abolishing vehicle registration tax exemption for representatives of foreign powers; allowing special license plates and personalized plates for certain persons to be issued to owner of certain trucks; removing restriction on time to apply for disability plates; changing fee and certain administrative procedures relating to the registration program for fleet vehicles; abolishing requirements to keep records of motor vehicles not using the highways and to prepare certain unnecessary reports; making various technical changes; amending Minnesota Statutes 1994, sections 168.011, subdivisions 4 and 27; 168.021, subdivision 1; 168.12, subdivisions 2a and 2b; 168.127; 168.325, subdivision 1; 168.33, subdivision 6; 168.34; 168A.01, subdivision 24; 168C.02, subdivision 2; 169.01, subdivisions 3, 4a, 51, and by adding a subdivision; and 171.01, subdivisions 3 and 20; Minnesota Statutes 1995 Supplement, sections 168.012, subdivision 1; and 168.10, subdivision 1i; repealing Minnesota Statutes 1994, section 168.33, subdivisions 4 and 5.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1147: A bill for an act relating to taxation; property; allowing for a market value exclusion for electric power generation facilities based on facility efficiency; proposing coding for new law in Minnesota Statutes, chapter 272.

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

Page 1, line 14, delete everything after the period

Page 1, delete lines 15 and 16 and insert "The"

Page 2, line 23, delete "35" and insert "40" and after the period, insert "As used in this section, "qualifying property" means the equipment at an electric power generation facility described in subdivision 1. In the case of property subject to section 272.027, the exemption provided under that section applies to the property before application of the exemption provided under this section."

Page 2, after line 30, insert:

"Sec. 2. [ANALYSIS OF UTILITY TAXATION.]

The commissioner of revenue, in consultation with the commissioner of public service and the public utilities commission, shall undertake an analysis of the following issues and report the findings and recommendations of the analysis to legislative committees with jurisdiction over these issues by January 15, 1997:

- (1) the amount of taxes paid by utilities in this state relative to other states;
- (2) a comparison of taxes paid by investor-owned utilities, municipal gas and electric utilities, cooperative utilities, producers of cogeneration power, and independent power producers;
- (3) the competitive aspects and consequences of disparities in utility taxation, to the electric and gas industry and to the state, in light of the restructuring that is occurring in the industry; and
- (4) other issues related to utility taxation and recommendations for reform of the utility tax system, including property taxes."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring a study;"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1861: A bill for an act relating to the environment; modifying provisions relating to the management of waste and solid waste assessments and taxes; amending Minnesota Statutes 1994, sections 115A.03, subdivision 21, and by adding subdivisions; 115A.50; 115A.916; 115A.919, by adding a subdivision; 115A.923, subdivision 1a; 115A.93, subdivision 3; 115A.9301, by adding a subdivision; 115A.965, subdivision 3; and 115D.09; Minnesota Statutes 1995 Supplement, sections 115A.072, subdivision 1; 115A.411, subdivision 2; 115A.554; 115A.965, subdivision 1; 115A.981, subdivision 3; 116.07, subdivision 10; and 297A.45, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1994, sections 115A.072, subdivision 3; 115A.154; 115A.156; 115A.48, subdivisions 2 and 5; 115A.53; 115A.913, subdivision 5; 115A.9162; and 115A.991; Minnesota Statutes 1995 Supplement, sections 115A.0715; 115A.55, subdivision 3; and 115D.05.

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

Page 5, line 21, strike "task force" and insert "board"

Page 22, delete lines 19 to 36

Page 23, delete lines 1 to 10 and insert:

"(f) Through December 31, 2002, the gross receipts from the sales of source-separated compostable waste management services are exempt from the tax imposed in section 297A.02 if the waste is delivered to a facility exempted as described in this paragraph. To initially qualify for an exemption, a facility must apply for an exemption in its application for a new or amended solid waste permit to the pollution control agency. The first time a facility applies to the agency, it must certify in its application that it will comply with the criteria in clauses (1) to (5), and the commissioner of the agency shall so certify to the commissioner of revenue who must grant the exemption. For each subsequent calendar year, by October 1 of the preceding year, the facility must apply to the agency for certification to renew its exemption for the following year. The application must be filed according to the procedures and contain the information required by the agency. The commissioner of revenue shall grant the exemption if the commissioner of the agency finds and certifies to the commissioner of revenue that based on an evaluation of the composition of incoming waste and residuals and the quality and use of the product:

(1) generators separate materials at the source;

(2) the separation is performed in a manner appropriate to the technology specific to the facility that:

(i) maximizes the quality of the product;

(ii) minimizes the toxicity and quantity of residuals; and

(iii) provides an opportunity for significant improvement in the environmental efficiency of the operation;

(3) the operator of the facility educates generators, in coordination with each county using the facility, about separating the waste to maximize the quality of the waste stream for the technology specific to the facility;

(4) process residuals do not exceed 15 percent of the weight of the total material delivered to the facility; and

(5) the final product is accepted for use."

Page 24, line 9, after "21" insert ", paragraph (a)," and delete "June 1, 1996" and insert

"retroactively to August 1, 1995" and after the period, insert "The rest of section 21 is effective for services provided after December 31, 1996, and before January 1, 2003."

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 2588: A bill for an act relating to metropolitan government; authorizing municipalities providing replacement transit service to individually assess a levy for transit and collect the proceeds; amending Minnesota Statutes 1994, sections 473.388, subdivision 5, and by adding a subdivision; and 473.446, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1995 Supplement, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year and, for a town, the amount of its final levy. It must clearly state that each taxing authority, including regional library districts established under section 134.201, and including the metropolitan taxing districts as defined in paragraph (i), but excluding all other special taxing districts and towns, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail.

(d) The notice must state for each parcel:

(1) the market value of the property as determined under section 273.11, and used for computing property taxes payable in the following year and for taxes payable in the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) by county, city or town, school district excess referenda levy, remaining school district levy, regional library district, if in existence, the total of the metropolitan special taxing districts as defined in paragraph (i) and the sum of the remaining special taxing districts, and as a total of the taxing authorities, including all special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. For the purposes of this subdivision, "school district excess referenda levy" means school district taxes for operating purposes approved at referendums, including those taxes based on net tax capacity as well as those based on market value. "School district excess referenda levy" does not include school district taxes for capital expenditures approved at referendums or school district taxes to pay for the debt service on bonds approved at referenda. In the case of the city of Minneapolis, the levy for the Minneapolis library board and the levy for Minneapolis park and recreation shall be listed separately from the remaining amount of the city's levy. In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(5) the contamination tax imposed on properties which received market value reductions for contamination.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead and the homeowner provides satisfactory documentation to the county assessor that the property is owned and has been used as the owner's homestead prior to June 1 of that year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

(i) For purposes of this subdivision, subdivisions 5a and 6, "metropolitan special taxing districts" means the following taxing districts in the seven-county metropolitan area that levy a property tax for any of the specified purposes listed below:

(1) metropolitan council under section 473.132, 473.167, 473.249, 473.325, 473.446, 473.521, 473.547, or 473.834;

(2) metropolitan airports commission under section 473.667, 473.671, or 473.672; and

(3) metropolitan mosquito control commission under section 473.711.

(j) For taxes levied in 1996, payable in 1997 only, in the case of a statutory or home rule charter city or town that exercises the local levy option provided in section 473.388, subdivision 7, the notice of its proposed taxes may include a statement of the amount by which its proposed tax increase for taxes payable in 1997 is attributable to its exercise of that option, together with a statement that the levy of the metropolitan council was decreased by a similar amount because of the exercise of that option.

For purposes of this section, any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be included with the appropriate county's levy and shall be discussed at that county's public hearing.

Sec. 2. Minnesota Statutes 1994, section 473.388, subdivision 5, is amended to read:

Subd. 5. [OTHER ASSISTANCE.] A city or town receiving assistance or levying a transit tax under this section may also receive assistance from the council under section 473.384. In applying for assistance under that section an applicant must describe the portion of ~~the~~ its available local transit funds which are not obligated to subsidize its replacement transit service and which the applicant proposes to use to subsidize additional service. An applicant which has exhausted its available local transit funds may use any other local subsidy funds to complete the required local share.

Sec. 3. Minnesota Statutes 1994, section 473.388, is amended by adding a subdivision to read:

Subd. 7. [LOCAL LEVY OPTION.] (a) A statutory or home rule charter city or town that is eligible for assistance under this section, in lieu of receiving the assistance, may levy a tax for payment of the operating and capital expenditures for transit and other related activities and to provide for payment of obligations issued by the municipality for such purposes, provided that the tax must be sufficient to maintain the level of transit service provided in the municipality in the previous year.

(b) The transit tax revenues derived by the municipality may not exceed:

(1) for taxes levied in 1996, the maximum available local transit funds for the municipality in 1996 under section 473.446, calculated as if the percentage of transit tax revenues for the municipality were 88 percent instead of 90 percent, and multiplied by the municipality's market value adjustment ratio; and

(2) for taxes levied in 1997 and later years, the maximum transit tax that the municipality may have levied in the previous year under this subdivision, multiplied by the municipality's market value adjustment ratio.

The commissioner of revenue shall certify the municipality's levy limitation under this subdivision to the municipality by August 1 of the levy year. The tax, including any penalties, interest, and costs, must be accumulated and kept in a separate fund to be known as the "replacement transit fund."

(c) To enable the municipality to receive revenues described in clauses (2) and (3) of the definition of "tax revenues" in section 473.388, subdivision 4, that would otherwise be lost if the municipality's transit tax levy was not treated as a successor levy to that made by the council under section 473.446:

(1) 88 percent of the council's 1995 nondebt spread levy shall be treated as levied by the municipality, and not the council, for purposes of section 473F.08, subdivision 3, for the purpose of determining its local tax rate for the preceding year; and

(2) there shall be paid to the municipality instead of the council 88 percent of the revenues described in clause (3) of the definition of "tax revenues" in section 473.388, subdivision 4.

(d) Any transit taxes levied under this subdivision are not subject to, or counted towards, any limit hereafter imposed by law on the levy of taxes upon taxable property within any municipality unless the law specifically includes the transit tax.

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

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

Sec. 4. Minnesota Statutes 1995 Supplement, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of

sections 473.405 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision and section 5, the council shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) an amount which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the council under section 473.436, subdivision 6;

(b) an additional amount, if any, the council determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1985, to which property taxes under this section have been pledged; and

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

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

(1) for taxes payable in 1995, the council's property tax levy limitation for general transit purposes is equal to the former regional transit board's property tax levy limitation for general transit purposes under this subdivision, for taxes payable in 1994, multiplied by an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous taxes payable year; and

(2) for taxes payable in 1996 and subsequent years, the product of (i) the council's property tax levy limitation for general transit purposes for the previous year determined under this subdivision multiplied, before any reductions under clause (iii), by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous taxes payable year, reduced by (iii) any amount levied by a municipality under section 3.

For the taxes payable year 1995, the index for market valuation changes shall be multiplied by an amount equal to the sum of the regional transit board's property tax levy limitation for the taxes payable year 1994 and \$160,665. The \$160,665 increase shall be a permanent adjustment to the levy limit base used in determining the regional transit board's property tax levy limitation for general purposes for subsequent taxes payable years.

For the purpose of determining the council's property tax levy limitation for general transit purposes under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan transit taxing district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

The county auditor shall reduce the tax levied pursuant to this ~~subdivision~~ section and section 473.388 on all property within statutory and home rule charter cities and towns that receive full-peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.510 percent of net tax capacity on the property. The county auditor shall reduce the tax levied pursuant to this ~~subdivision~~ section and section 473.388 on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.765 percent of net tax capacity on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the

county auditor for corrections. The commissioner shall pay to the council and to the municipalities levying under section 3 the amounts certified by the county auditors on the dates provided in section 273.1398, apportioned between the council and the municipality in the same proportion as the total transit levy is apportioned within the municipality. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments.

For the purposes of this subdivision, "full-peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

For the purposes of property taxes payable in the following year, the council shall annually determine which cities and towns qualify for the 0.510 percent or 0.765 percent tax capacity rate reduction and shall certify this list to the county auditor of the county wherein such cities and towns are located on or before September 15. No changes may be made to the annual list after September 15.

Sec. 5. Minnesota Statutes 1994, section 473.446, is amended by adding a subdivision to read:

Subd. 1b. [DEDUCTION OF LOCAL TRANSIT LEVY FOR ELIGIBLE MUNICIPALITIES.] (a) The maximum the council may levy for general purposes under subdivision 1, paragraph (a), upon taxable property within a municipality levying taxes under section 3 for replacement transit service is the transit tax levied within the municipality in the previous year, multiplied by the municipality's market value adjustment ratio, minus the amount to be levied by the municipality under section 3 for the current levy year.

(b) For purposes of (1) determining the amount the council may levy for general purposes under subdivision 1, paragraph (a), within any municipality levying taxes under section 3 for replacement transit service, and (2) calculating the amount of the levy to be allocated to each county, the council and the county auditor shall, after 1995, deduct from the part of the levy that would otherwise be allocated to the municipality the amount by which that part exceeds the maximum amount of taxes the council may levy within the municipality under this subdivision. After making the deduction, the council and the county auditor shall reallocate to the taxable property located within the metropolitan transit taxing district, other than a municipality providing replacement transit service, the amount by which the council's tax levy within the municipality was reduced. The council shall notify the county auditor no later than October 1 of each year of the amount of the deduction for each municipality providing replacement transit service located in the county.

(c) For purposes of this subdivision and section 3:

(1) "municipality" means a municipality levying taxes under section 3 for replacement transit service;

(2) "market value adjustment ratio" means the index for market valuation changes described in section 473.446, as applied to individual municipalities; and

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

Sec. 6. Minnesota Statutes 1995 Supplement, section 473.446, subdivision 8, is amended to read:

Subd. 8. [STATE REVIEW.] The commissioner of revenue shall certify the council's levy limitation under this section to the council by August 1 of the levy year. The council must certify its proposed property tax levy under this section to the commissioner of revenue by September 1 of the levy year. The commissioner of revenue shall annually determine whether the property tax for transit purposes certified by the council for levy following the adoption of its proposed budget is within the levy limitation imposed by subdivision 1 and section 5. The commissioner shall also annually determine whether the transit tax imposed on all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district is within the levy limitation

imposed by subdivision 1a. The determination must be completed prior to September 10 of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculations.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 7, before the period, insert "; Minnesota Statutes 1995 Supplement, sections 275.065, subdivision 3; and 473.446, subdivisions 1 and 8"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2466, 2406, 1866, 891, 2209, 1147, 1861 and 2588 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 2206 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Anderson moved that the name of Ms. Pappas be added as a co-author to S.F. No. 2014. The motion prevailed.

Mr. Neuville moved that his name be stricken as a co-author to S.F. No. 2086. The motion prevailed.

Mr. Samuelson moved that his name be stricken as a co-author to S.F. No. 2086. The motion prevailed.

Mr. Belanger moved that S.F. No. 2424, No. 68 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Laidig and Ms. Krentz introduced--

Senate Resolution No. 107: A Senate resolution congratulating Andy Elvester of Forest Lake High School on placing second in the 1996 Boys State Nordic Ski Racing Meet Classical 7.5K Race.

Referred to the Committee on Rules and Administration.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 2377: A bill for an act relating to state government; repealing obsolete laws; repealing

Minnesota Statutes 1994, sections 1.17; 1.25; 1.331; 3.85, subdivision 7; 4.02; 4.45; 6.26; 10.05; 10.38; 15.07; 15.09; 15.14; 15.15; 15.793; 15A.083, subdivisions 2 and 3; 15A.15; 17.14, subdivision 2; 17.351, subdivision 2; 17.47, subdivision 5; 17.53, subdivisions 4 and 11; 17.693, subdivisions 3 and 7; 17.81, subdivision 6; 17.981; 17A.03, subdivision 4; 18.46, subdivision 14; 18.58; 18.77, subdivision 2; 18B.01, subdivision 16; 18B.065, subdivision 6; 18B.08, subdivision 5; 18C.105; 18C.531, subdivisions 6, 11, 19, 20, and 27; 19.50, subdivision 16; 19.64, subdivision 5; 21.72, subdivision 2; 21.81, subdivision 18; 24.135, subdivisions 6 and 7; 24.165; 25.33, subdivision 2; 25.44; 25.46; 27.01, subdivisions 1, 3, 6, and 9; 27.137, subdivisions 2, 3, 4, 6, and 8; 27.15; 29.21, subdivision 2; 30.01, subdivision 2; 31.51, subdivisions 10 and 12; 31.782, subdivision 2; 31.92, subdivision 1a; 31A.02, subdivision 3; 31A.30; 32.01, subdivisions 3 and 4; 32.077; 32.101; 32.201; 32.205; 32.207; 32.398, subdivision 2; 32.401, subdivision 4; 32.411, subdivision 6; 32.471, subdivision 2; 32.485; 32.531, subdivisions 2, 3, and 4; 35.01; 35.73; 42.02, subdivision 2; 42.06, subdivision 4; 42.09, subdivision 3; 43A.082; 43A.27, subdivision 6; 43A.317, subdivision 11; 43A.47; 47.202; 62D.12, subdivision 12; 84.024; 84.083, subdivision 2; 87.01; 89.013; 89.014; 90.005, subdivisions 1, 4, and 5; 115A.06, subdivision 4; 115A.08; 115A.09; 115A.14, subdivisions 1, 2, and 3; 115A.201; 115A.21; 115A.22; 115A.241; 115A.25; 115A.26; 115A.27; 115A.28, subdivision 1; 115A.29; 115A.291; 115A.97, subdivision 4; 116J.974; 116J.981; 116J.986; 118.02; 118.08; 119.04, subdivision 4; 124B.02; 124B.10; 124B.20, subdivisions 2 and 3; 136A.179; 137.03; 137.05; 137.06; 137.07; 137.08; 137.11; 137.14; 137.15; 137.33; 137.34, subdivision 2; 141.33; 141.34; 148B.34; 152.151; 161.041; 161.086; 166.01; 166.02; 166.03; 166.05; 166.06; 166.07; 166.08; 166.09; 166.10; 169.72, subdivision 3; 175.001, subdivision 5; 175.002; 175.003; 175.004; 175.005; 175.006, subdivision 4; 175.34; 176.1011; 177.34; 186.01; 186.02; 186.03; 186.04; 186.05; 186.06; 186.07; 186.08; 190.10; 191.09; 193.145, subdivision 1; 196.06, subdivision 2; 196.10; 196.11; 196.14; 196.15; 197.971; 197.972; 197.973; 197.974; 197.975; 197.976; 197.977; 197.978; 197.979; 197.98; 197.981; 197.982; 197.983; 197.984; 197.985; 197.986; 198.002, subdivision 4; 202A.17; 216C.19, subdivisions 10, 11, and 12; 216C.21; 216C.22; 216C.23; 216C.24; 246.44; 246.45; 246.46; 251.011, subdivisions 1, 4, 4a, 7, and 8; 254.02; 256B.56; 256B.57; 256B.58; 256B.59; 256B.60; 256B.61; 256B.62; 256B.63; 256E.07, subdivision 1a; 256E.08, subdivision 9; 261.251; 275.064; 280.12; 280.13; 280.25; 280.26; 281.15; 281.26; 281.27; 295.01; 298.226; 298.244; 299D.01, subdivision 5; 299F.01, subdivision 3; 345.20, subdivision 6; 352B.265; 353.011; 367.411; 367.43; 373.013; 373.045; 374.03; 374.04; 374.06; 374.07; 374.22; 374.23; 375.24; 375.383; 375.435; 377.01; 377.03; 377.05; 383A.07, subdivisions 11, 21, 22, and 25; 383A.09; 383A.10; 383A.15; 383A.34; 383A.44; 383B.227; 383B.233; 383B.69; 383C.054; 383C.057; 383C.058; 383D.15; 383D.34; 383D.67; 386.375, subdivision 6; 388.19, subdivision 2; 390.26; 397.05; 397.06; 397.07; 397.08; 397.09; 397.10; 397.101; 397.102; 412.015, subdivision 1; 412.018, subdivision 2; 412.023, subdivision 4; 412.092; 441.01; 441.02; 441.03; 441.04; 441.05; 441.06; 441.07; 441.08; 441.09; 446A.10; 457.13; 458.1931; 458D.13; 465.681; 466.10; 466.12, subdivision 4; 471.74, subdivisions 1 and 3; 471.9975; 471.998; 471A.07; 473.204; 473.418; 473.608, subdivision 20; 473.855; 474.22; 475.75; 477A.011, subdivision 2; 477A.012, subdivisions 1, 3, 4, 7, and 8; 477A.013, subdivision 6; 477A.014, subdivision 1a; 487.12; 515B.1-110; 515B.1-111; 557.022; 611A.07, subdivision 2; 611A.23; 611A.42; 611A.44; 626.559, subdivision 4; 626.563, as amended; 626.855; and 641.111; Minnesota Statutes 1995 Supplement, sections 17A.091, subdivision 2; 115A.14, subdivision 4; 124B.01; 124B.03; 124B.20, subdivision 1; 135A.10, subdivision 1; 136A.043; 471.74, subdivision 2; 474.191; and 477A.012, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Chandler	Flynn	Johnson, D.J.	Kramer
Beckman	Cohen	Frederickson	Johnson, J.B.	Krentz
Belanger	Day	Hanson	Johnston	Kroening
Berg	Dille	Hottinger	Kelly	Laidig
Berglin	Finn	Janezich	Kleis	Langseth
Betzold	Fischbach	Johnson, D.E.	Knutson	Larson

Lesewski	Morse	Pappas	Riveness	Spear
Lessard	Murphy	Pariseau	Robertson	Stevens
Limmer	Neuville	Piper	Runbeck	Stumpf
Marty	Novak	Pogemiller	Sams	Terwilliger
Merriam	Oliver	Price	Samuelson	Vickerman
Metzen	Olson	Ranum	Scheevel	Wiener
Moe, R.D.	Ourada	Reichgott Junge	Solon	

So the bill passed and its title was agreed to.

S.F. No. 2517: A bill for an act relating to education; changing candidate advisory council membership; changing council on vocational technical education membership; amending Minnesota Statutes 1994, section 137.0245, subdivision 2; and Minnesota Statutes 1995 Supplement, sections 136F.03, subdivision 2; and 136F.56, subdivisions 1, 2, 6, 7, and 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Riveness
Beckman	Hanson	Laidig	Neuville	Robertson
Belanger	Hottinger	Langseth	Novak	Runbeck
Berg	Janezich	Larson	Oliver	Sams
Berglin	Johnson, D.E.	Lesewski	Olson	Samuelson
Betzold	Johnson, D.J.	Lessard	Ourada	Scheevel
Chandler	Johnson, J.B.	Limmer	Pappas	Solon
Cohen	Johnston	Marty	Pariseau	Spear
Day	Kelly	Merriam	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Finn	Knutson	Moe, R.D.	Price	Vickerman
Fischbach	Kramer	Mondale	Ranum	Wiener
Flynn	Krentz	Morse	Reichgott Junge	

So the bill passed and its title was agreed to.

H.F. No. 2154: A bill for an act relating to manufactured homes; adding certain conditions for park owners to recover possession of land; amending Minnesota Statutes 1994, section 327C.09, subdivision 8.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Riveness
Beckman	Hanson	Laidig	Neuville	Robertson
Belanger	Hottinger	Langseth	Novak	Runbeck
Berg	Janezich	Larson	Oliver	Sams
Berglin	Johnson, D.E.	Lesewski	Olson	Samuelson
Betzold	Johnson, D.J.	Lessard	Ourada	Scheevel
Chandler	Johnson, J.B.	Limmer	Pappas	Solon
Cohen	Johnston	Marty	Pariseau	Spear
Day	Kelly	Merriam	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Finn	Knutson	Moe, R.D.	Price	Terwilliger
Fischbach	Kramer	Mondale	Ranum	Vickerman
Flynn	Krentz	Morse	Reichgott Junge	Wiener

So the bill passed and its title was agreed to.

H.F. No. 2155: A bill for an act relating to civil law; real property and probate; providing

conditions for registered property applications and records; providing for the application of certain curative provisions; changing certain probate and trust provisions; providing standards for certain documents; amending Minnesota Statutes 1994, sections 357.18, by adding a subdivision; 501B.57; 508.06; 508.63; 508.66; 508.71, subdivision 3; 508.82; 508A.01, subdivision 3; 508A.06; 508A.63; 508A.66; 508A.71, subdivision 3; 508A.82; 508A.85, subdivision 3; 524.2-403; 524.3-708; 524.3-804; 559.215; and 559.216; Minnesota Statutes 1995 Supplement, sections 524.2-803; and 524.3-914; proposing coding for new law in Minnesota Statutes, chapter 507; repealing Laws 1994, chapter 447, section 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Laidig	Neuville	Robertson
Beckman	Hottinger	Langseth	Novak	Runbeck
Belanger	Janezich	Larson	Oliver	Sams
Berg	Johnson, D.E.	Lesewski	Olson	Samuelson
Berglin	Johnson, D.J.	Lessard	Ourada	Scheevel
Betzold	Johnson, J.B.	Limmer	Pappas	Solon
Chandler	Johnston	Marty	Pariseau	Spear
Day	Kelly	Merriam	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Finn	Knutson	Moe, R.D.	Price	Terwilliger
Fischbach	Kramer	Mondale	Ranum	Vickerman
Flynn	Krentz	Morse	Reichgott Junge	Wiener
Frederickson	Kroening	Murphy	Riveness	

So the bill passed and its title was agreed to.

H.F. No. 168: A bill for an act relating to insurance; regulating nonrenewals based on loss experience; amending Minnesota Statutes 1994, section 65A.29, subdivision 11.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Riveness
Beckman	Hanson	Laidig	Neuville	Robertson
Belanger	Hottinger	Langseth	Novak	Runbeck
Berg	Janezich	Larson	Oliver	Sams
Berglin	Johnson, D.E.	Lesewski	Olson	Samuelson
Betzold	Johnson, D.J.	Lessard	Ourada	Scheevel
Chandler	Johnson, J.B.	Limmer	Pappas	Solon
Cohen	Johnston	Marty	Pariseau	Spear
Day	Kelly	Merriam	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Finn	Knutson	Moe, R.D.	Price	Terwilliger
Fischbach	Kramer	Mondale	Ranum	Vickerman
Flynn	Krentz	Morse	Reichgott Junge	Wiener

So the bill passed and its title was agreed to.

H.F. No. 2525: A bill for an act relating to commerce; providing for the relocation of an existing new motor vehicle dealership under certain specified conditions.

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 52 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Larson	Ourada	Samuelson
Beckman	Hottinger	Lessard	Pappas	Scheevel
Belanger	Janezich	Limmer	Pariseau	Solon
Berg	Johnson, D.J.	Marty	Piper	Spear
Berglin	Johnson, J.B.	Metzen	Pogemiller	Stevens
Cohen	Kelly	Moe, R.D.	Price	Stumpf
Day	Kleis	Mondale	Ranum	Terwilliger
Dille	Krentz	Morse	Reichgott Junge	Vickerman
Finn	Kroening	Murphy	Riveness	
Fischbach	Laidig	Novak	Robertson	
Flynn	Langseth	Olson	Sams	

Those who voted in the negative were:

Betzold	Johnson, D.E.	Kramer	Neuville	Wiener
Chandler	Johnston	Lesewski	Oliver	
Frederickson	Knutson	Merriam	Runbeck	

So the bill passed and its title was agreed to.

S.F. No. 2571: A bill for an act relating to drivers' licenses; allowing owners of residences to identify who may use the residence address on a driver's license; proposing coding for new law in Minnesota Statutes, chapter 171.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Riveness
Beckman	Hanson	Laidig	Neuville	Runbeck
Belanger	Hottinger	Langseth	Novak	Sams
Berg	Janezich	Larson	Oliver	Samuelson
Berglin	Johnson, D.E.	Lesewski	Olson	Scheevel
Betzold	Johnson, D.J.	Lessard	Ourada	Solon
Chandler	Johnson, J.B.	Limmer	Pappas	Spear
Cohen	Johnston	Marty	Pariseau	Stevens
Day	Kelly	Merriam	Piper	Stumpf
Dille	Kleis	Metzen	Pogemiller	Terwilliger
Finn	Knutson	Moe, R.D.	Price	Vickerman
Fischbach	Kramer	Mondale	Ranum	Wiener
Flynn	Krentz	Morse	Reichgott Junge	

So the bill passed and its title was agreed to.

H.F. No. 2478: A bill for an act relating to consumer protection; restricting the provision of immigration services; regulating notaries public; providing penalties; proposing coding for new law in Minnesota Statutes, chapters 325E; and 359.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Day	Janezich	Kramer	Limmer
Beckman	Dille	Johnson, D.E.	Krentz	Marty
Belanger	Finn	Johnson, D.J.	Kroening	Merriam
Berg	Fischbach	Johnson, J.B.	Laidig	Metzen
Berglin	Flynn	Johnston	Langseth	Moe, R.D.
Betzold	Frederickson	Kelly	Larson	Mondale
Chandler	Hanson	Kleis	Lesewski	Morse
Cohen	Hottinger	Knutson	Lessard	Murphy

Neuville	Pappas	Ranum	Sams	Stevens
Novak	Pariseau	Reichgott Junge	Samuelson	Stumpf
Oliver	Piper	Riveness	Scheevel	Terwilliger
Olson	Pogemiller	Robertson	Solon	Vickerman
Ourada	Price	Runbeck	Spear	Wiener

So the bill passed and its title was agreed to.

H.F. No. 3162: A bill for an act relating to local government; permitting the city of Cohasset to own and operate a gas utility.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Robertson
Beckman	Hanson	Laidig	Novak	Runbeck
Belanger	Hottinger	Langseth	Oliver	Sams
Berg	Janezich	Larson	Olson	Samuelson
Berglin	Johnson, D.E.	Lesewski	Ourada	Scheevel
Betzold	Johnson, D.J.	Lessard	Pappas	Solon
Chandler	Johnson, J.B.	Limmer	Pariseau	Spear
Cohen	Johnston	Marty	Piper	Stevens
Day	Kelly	Merriam	Pogemiller	Stumpf
Dille	Kleis	Metzen	Price	Terwilliger
Finn	Knutson	Moe, R.D.	Ranum	Vickerman
Fischbach	Kramer	Murphy	Reichgott Junge	Wiener
Flynn	Krentz	Murphy	Riveness	

So the bill passed and its title was agreed to.

H.F. No. 2222: A bill for an act relating to state government; excepting certain contracts from certain contract management requirements; abolishing certain reports and providing for a comprehensive annual report by the department of economic security; providing a mission statement for the department of economic security; amending Minnesota Statutes 1994, sections 268.0122, subdivisions 3 and 4; and 268.65, subdivision 1; Minnesota Statutes 1995 Supplement, sections 16B.06, subdivision 2a; 268.0122, subdivision 6; 268.0124; 268.363; and 268.98, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1994, sections 268.367; 268.37, subdivision 5; and 268.38, subdivision 11; Minnesota Statutes 1995 Supplement, section 268.92, subdivision 10.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Riveness
Beckman	Hanson	Laidig	Neuville	Robertson
Belanger	Hottinger	Langseth	Novak	Runbeck
Berg	Janezich	Larson	Oliver	Sams
Berglin	Johnson, D.E.	Lesewski	Olson	Samuelson
Betzold	Johnson, D.J.	Lessard	Ourada	Scheevel
Chandler	Johnson, J.B.	Limmer	Pappas	Solon
Cohen	Johnston	Marty	Pariseau	Spear
Day	Kelly	Merriam	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Finn	Knutson	Moe, R.D.	Price	Terwilliger
Fischbach	Kramer	Mondale	Ranum	Vickerman
Flynn	Krentz	Morse	Reichgott Junge	Wiener

So the bill passed and its title was agreed to.

H.F. No. 1998: A bill for an act relating to trusts; regulating the investment and management of trust assets; providing standards; amending Minnesota Statutes 1994, sections 48.38, subdivision 6; 48.84; 317A.161, subdivision 24; 525.56, subdivision 4; and 529.06; proposing coding for new law in Minnesota Statutes, chapter 501B; repealing Minnesota Statutes 1994, sections 501B.10; and 501B.11.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Laidig	Neuville	Robertson
Beckman	Hottinger	Langseth	Novak	Runbeck
Belanger	Janezich	Larson	Oliver	Sams
Berglin	Johnson, D.E.	Lesewski	Olson	Samuelson
Betzold	Johnson, D.J.	Lessard	Ourada	Scheevel
Chandler	Johnson, J.B.	Limmer	Pappas	Solon
Cohen	Johnston	Marty	Pariseau	Spear
Day	Kelly	Merriam	Piper	Stevens
Dille	Kleis	Metzen	Pogemiller	Stumpf
Finn	Knutson	Moe, R.D.	Price	Terwilliger
Fischbach	Kramer	Mondale	Ranum	Vickerman
Flynn	Krentz	Morse	Reichgott Junge	Wiener
Frederickson	Kroening	Murphy	Riveness	

So the bill passed and its title was agreed to.

H.F. No. 2330: A bill for an act relating to land use planning; requesting the St. Cloud area planning organization to assess and report on the land use planning and coordinating issues of the region.

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 4, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Langseth	Novak	Sams
Beckman	Janezich	Larson	Oliver	Samuelson
Belanger	Johnson, D.E.	Lesewski	Olson	Scheevel
Berg	Johnson, D.J.	Lessard	Pappas	Solon
Berglin	Johnson, J.B.	Limmer	Pariseau	Spear
Betzold	Johnston	Marty	Piper	Stumpf
Chandler	Kelly	Merriam	Pogemiller	Terwilliger
Cohen	Kleis	Metzen	Price	Vickerman
Day	Knutson	Moe, R.D.	Ranum	Wiener
Dille	Kramer	Mondale	Reichgott Junge	
Flynn	Krentz	Morse	Riveness	
Frederickson	Kroening	Murphy	Robertson	
Hanson	Laidig	Neuville	Runbeck	

Mr. Finn, Mrs. Fischbach, Messrs. Ourada and Stevens voted in the negative.

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Kelly and Ms. Robertson introduced--

S.F. No. 2871: A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; repealing Laws 1995, chapter 171, sections 54 and 56.

Referred to the Committee on Judiciary.

Messrs. Langseth and Vickerman introduced--

S.F. No. 2872: A bill for an act relating to the organization and operation of state government; transferring money from general fund to trunk highway fund as reimbursement for nonhighway expenditures.

Referred to the Committee on Transportation and Public Transit.

Ms. Reichgott Junge introduced--

S.F. No. 2873: A bill for an act proposing an amendment to the Minnesota Constitution, article VIII, by adding a section; providing for recall of elected state officers; amending Minnesota Statutes 1994, section 200.01; proposing coding for new law as Minnesota Statutes, chapter 211C.

Referred to the Committee on Ethics and Campaign Reform.

Mr. Merriam, for the Committee on Finance, introduced--

S.F. No. 2874: A bill for an act relating to settlements; authorizing settlement of a lawsuit for age discrimination; implementing a settlement with extended employment program services providers; transferring appropriations; appropriating money.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Lessard moved that his name be stricken as a co-author to S.F. No. 1977. The motion prevailed.

Mr. Sams moved that S.F. No. 1993 be withdrawn from the Committee on Health Care and returned to its author. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 3249 be taken from the table. The motion prevailed.

H.F. No. 3249: A bill for an act relating to the financing and operation of government in this state; modifying certain tax rates, credits, refunds, bases, and exemptions; modifying property tax exemptions, valuation, and classification; providing a senior citizen property tax deferral; providing for the deposit of certain revenues in the highway user tax distribution and transit assistance funds; establishing an education investment fund; providing tax incentives for savings for education; changing tax increment financing, special services district, and taxing district provisions; authorizing local taxes; authorizing certain special districts; providing local levy or other authority; authorizing municipal debt; providing for certain tax base sharing; changing certain aids; modifying revenue recapture; making tax policy, collection, administrative and technical changes, corrections, and clarifications; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1994, sections 10A.31, subdivision 3a; 13.99, subdivision 97a; 103E.611, subdivision 7; 115.26, by adding a subdivision; 165.08, subdivision 5; 216B.16, by adding a subdivision; 239.761, subdivision 5; 270.067, subdivision 2; 270.07, subdivision 1; 270.102, subdivisions 1, 2, and 3; 270.70, subdivision 2; 270A.03, subdivision 2; 270B.12, by adding a subdivision; 273.02, subdivision 3; 273.11, subdivision 1a; 273.111, subdivisions 3 and 6; 273.124, by adding a subdivision; 273.13, subdivisions 22, 23, and 32; 273.1398, by adding a subdivision; 275.065, subdivision 5a; 275.07, subdivision 4, and by adding a subdivision; 275.61; 278.01, by adding a subdivision; 278.08; 279.06, subdivision 1; 279.37, by adding a subdivision; 281.17; 287.06; 289A.50, by adding a subdivision; 289A.56, subdivision 4;

290.01, subdivisions 4a and 19a; 290.06, subdivisions 2c and 22; 290.091, subdivisions 2 and 6; 290.0922, subdivisions 1 and 3; 290.095, subdivision 3; 290.17, subdivision 2; 290A.03, subdivision 11; 290A.25; 295.51, subdivision 1, and by adding a subdivision; 295.52, by adding a subdivision; 295.54, subdivisions 1, 2, and by adding a subdivision; 296.01, subdivisions 2 and 13; 296.02, by adding a subdivision; 296.025, subdivision 6; 296.141, subdivisions 4 and 5; 296.15, by adding a subdivision; 296.17, subdivision 7; 297.04, subdivision 9; 297A.01, subdivision 16; 297A.02, subdivision 5; 297A.14, by adding a subdivision; 297A.15, subdivision 6; 297A.21, subdivision 4; 297A.211, subdivision 3; 297A.24, subdivision 1; 297A.25, subdivisions 14, 37, and by adding a subdivision; 297A.256, subdivision 1; 297A.2572; 297A.2573; 297A.44, subdivision 1; 297A.46; 297B.09, subdivision 1; 297E.02, subdivisions 4 and 10; 298.01, subdivision 4e; 298.17; 298.28, subdivisions 2 and 11; 298.75, subdivision 1, and by adding a subdivision; 349.15, by adding a subdivision; 349.154, subdivision 2; 349.19, subdivision 2, and by adding a subdivision; 373.40, subdivision 7; 375.192, subdivision 2; 383B.51; 428A.01, subdivisions 2 and 3; 428A.02, subdivision 1; 444.075, by adding a subdivision; 458A.32, subdivision 4; 469.040, subdivision 3, and by adding a subdivision; 469.167, subdivision 2; 469.173, subdivision 7; 469.174, subdivision 2; 469.176, subdivision 4f; 469.1761, subdivision 1; 469.177, subdivision 3; 471.88, subdivision 14; 473.625; 477A.011, subdivisions 3, 20, 27, 32, and 35; and 477A.013, subdivision 6; Minnesota Statutes 1995 Supplement, sections 41A.09, subdivision 2a; 115B.48, by adding subdivisions; 115B.49, subdivisions 2 and 4; 116.07, subdivision 10; 124A.03, subdivision 2; 216B.161, subdivision 1; 270A.03, subdivision 7; 272.02, subdivision 1; 273.11, subdivision 16; 273.124, subdivisions 3 and 13; 273.13, subdivisions 24 and 25; 273.1398, subdivision 1; 273.1399, subdivisions 6 and 7; 275.065, subdivisions 3 and 6; 275.08, subdivision 1b; 276.04, subdivision 2; 289A.40, subdivision 1; 290.01, subdivision 19b; 290.067, subdivision 1; 290.191, subdivisions 5 and 6; 290A.04, subdivision 2h; 295.50, subdivisions 3 and 4; 295.53, subdivisions 1, 5, and by adding a subdivision; 296.02, subdivision 1; 296.025, subdivision 1; 296.12, subdivision 3; 297A.01, subdivision 3; 297A.02, subdivision 4; 297A.25, subdivisions 57 and 59; 297A.45, subdivisions 2, 3, and 4; 297B.01, subdivision 8; 428A.05; 465.82, subdivision 2; 469.169, subdivisions 9 and 10; 469.174, subdivision 4; 469.175, subdivisions 1, 5, and 6; 469.176, subdivision 2; 469.177, subdivision 1; 471.6965; 473.448; 477A.0121, subdivision 4; 477A.0132; and 477A.03, subdivision 2; Laws 1963, chapter 118, sections 1, subdivision 3; 2; 4; 6; Laws 1971, chapter 869, sections 2, subdivisions 2, as amended, 14, and 17, as added; 3, subdivisions 5, 6, and 9; 4, subdivisions 1, 2, and 5, as amended; 5, subdivisions 1 and 3; 8; 10, subdivision 3b, as added; 12, subdivisions 1, as amended, and 2, as amended; 17, subdivision 11; 19; 20, subdivision 2; 21; 24; Laws 1985, chapter 302, section 2, subdivision 1, as amended; Laws 1991, chapter 291, article 8, section 27, by adding a subdivision; Laws 1992, chapter 511, article 8, section 39; and Laws 1995, chapter 264, articles 2; sections 42, subdivision 1; and 44; 5, sections 40, subdivision 1; 44, subdivision 4; and 45, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 11A; 103D; 115B; 136A; 272; 273; 281; 287; 290; 290A; 297A; 315; 375; 428A; 462A; 469; and 477A; proposing coding for new law as Minnesota Statutes, chapters 276A; and 290B; repealing Minnesota Statutes 1994, sections 13.99, subdivision 97; 273.1316; 273.1317; 273.1318; 273.1398, subdivision 5b; 290.06, subdivision 21; 290.092; 295.37; 295.39; 295.40; 295.41; 295.42; 295.43; 295.50, subdivisions 8, 9, 9a, 11, 12, and 12a; 296.25, subdivision 1a; 297A.01, subdivision 20; 297A.14, subdivision 3; 297A.15, subdivision 5; 297A.24, subdivision 2; and 469.150; Minnesota Statutes 1995 Supplement, sections 270B.12, subdivision 11; 276.012; 290A.055; 290A.26; and 469.176, subdivision 7; Laws 1971, chapter 869, section 6, subdivision 3; Laws 1987, chapter 285; and Laws 1995, chapter 264, article 4.

SUSPENSION OF RULES

Mr. Moe, R.D. 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. 3249 and that the rules of the Senate be so far suspended as to give H.F. No. 3249 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 3249 was read the second time.

Mr. Johnson, D.J. moved to amend H.F. No. 3249 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 3249, and insert the language after the enacting clause, and the title, of S.F. No. 2115, the second engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. then moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Pages 3 to 55, delete articles 1 to 8

Renumber the articles in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. then moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 63, line 29, delete "\$12,000" and insert "\$8,000"

Page 64, line 7, delete "an average of" and insert "at least"

Page 64, line 8, delete "participant in" and insert "graduate of"

Page 64, line 23, after "had" insert "federal adjusted gross"

Page 64, after line 27, insert:

"(7) The program must charge placement and retention fees that exceed the amount of credit certificates provided to the employer by at least ten percent of wages paid to graduate."

Page 64, line 33, after the period, insert "To qualify for a credit under this section for a retention fee, the job in which the graduate is retained must pay at least \$10 per hour."

Subd. 4. [DUTIES OF PROGRAM.] (a) Each program certified by the commissioner under subdivision 2 must comply with the requirements of this subdivision.

(b) Each program must maintain records for each graduate for which the program provides a credit certificate to an employer. These records must include information sufficient to verify the graduate's eligibility under this section, identify the employer, describe the job including its compensation rate and benefits, and determine the amount of placement and retention fees received.

(c) Each program must report to the commissioner of revenue by January 1, 1999, on its use of the credit. The report must include, at least, information on:

(1) the number of graduates placed;

(2) demographic information on the graduates;

(3) information of the type of positions in which the graduates are placed, including compensation information;

(4) the tenure of graduates at the placed position or in other jobs;

(5) the amount of employer fees paid to the program; and

(6) amount of money raised by the program from other sources.

(d) The commissioner shall compile and summarize this information and report to the legislature by February 15, 1999.

Subd. 5. [ISSUANCE OF CREDIT CERTIFICATES.] (a) The total amount of credits under this section is limited to \$1,500,000 for taxable years beginning after December 31, 1995, and before January 1, 2001. The commissioner may issue under paragraph (b) no more than the specified amount of certificates for taxable years beginning during each calendar year:

<u>1996</u>	<u>\$120,000</u>
<u>1997</u>	<u>\$370,000</u>
<u>1998</u>	<u>\$500,000</u>
<u>1999</u>	<u>\$360,000</u>
<u>2000</u>	<u>\$150,000</u>

Unused certificates for a taxable year carry over and may be used for a later taxable year, regardless of whether issued by the commissioner."

Page 64, delete lines 34 to 36

Page 65, delete lines 1 and 2

Page 65, line 16, delete "5" and insert "6"

Page 65, line 28, delete "6" and insert "7"

Page 105, after line 20, insert:

"Sec. 4. Minnesota Statutes 1995 Supplement, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to section 124.914, subdivision 1.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the May, June, and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year plus 48 17.2 percent for fiscal year 1996 and 6.5 percent for fiscal year 1997 and thereafter of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) 48 17.2 percent for fiscal year 1996, 6.5 percent for fiscal year 1997 and thereafter of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 124.914, subdivision 1;

(iii) retirement and severance pay pursuant to sections 122.531, subdivision 9, 124.2725, subdivision 15, 124.4945, 124.912, subdivision 1, and 124.916, subdivision 3, and Laws 1975, chapter 261, section 4;

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, and amounts levied pursuant to section 136C.411; and

(v) amounts levied under section 124.755.

Notwithstanding the foregoing, the levy recognition percentage for the referendum levy certified according to section 124A.03, subdivision 2, is 37.4 percent.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 5. Minnesota Statutes 1995 Supplement, section 121.904, subdivision 4c, is amended to read:

Subd. 4c. [CHANGE IN LEVY RECOGNITION PERCENT.] (a) Money appropriated under section 16A.152, subdivision 2, must be used to reduce the levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), for taxes payable in the ~~suceeding~~ same calendar year the appropriation is made.

(b) The levy recognition percent shall equal the result of the following computation: the current levy recognition percent, times the ratio of

(1) the statewide total amount of levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1, reduced by the difference between the amount of money appropriated under section 16A.152, subdivision 2, and the amount required for the adjustment payment under clause (d), to

(2) the statewide total amount of the levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1.

The result shall be rounded up to the nearest one-tenth of a percent. However, in no case shall the levy recognition percent be reduced below zero or increased above the current levy recognition percent.

(c) The commissioner of finance must certify to the commissioner of children, families, and learning the levy recognition percent computed under this subdivision by January 5 of each year. The commissioner of children, families, and learning must notify school districts of a change in the levy recognition percent by January 15.

(d) When the levy recognition percent is increased or decreased as provided in this subdivision, a special aid adjustment shall be made to each school district with an operating referendum levy:

(i) When the levy recognition percent is increased from the prior fiscal year, the commissioner of children, families, and learning shall calculate the difference between (1) the amount of the levy under section 124A.03, that is recognized as revenue for the current fiscal year according to subdivision 4a; and (2) the amount of the levy, under section 124A.03, that would have been recognized as revenue for the current fiscal year had the percentage according to subdivision 4a, not been increased. The commissioner shall reduce other aids due the district by the amount of the difference. This aid reduction shall be in addition to the aid reduction required because of the increase pursuant to this subdivision of the levy recognition percent.

(ii) When the levy recognition percent is reduced from the prior fiscal year, a special adjustment payment shall be made to each school district with an operating referendum levy that received an aid reduction when the levy recognition percent was last increased. The special

adjustment payment shall be in addition to the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. The amount of the special adjustment payment shall be computed by the commissioner of children, families, and learning such that any remaining portion of the aid reduction these districts received that has not been repaid is repaid on a proportionate basis as the levy recognition percent is reduced from 50 percent to 31 percent. The special adjustment payment must be included in the state aid payments to school districts according to the schedule specified in section 124.195, subdivision 3.

(e) The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of children, families, and learning, the amounts needed to finance the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. Payments to a school district of additional state aids resulting from a reduction in the levy recognition percent must be included in the cash metering of payments made according to section 124.195 after January 15, and must be paid in a manner consistent with the percent specified in that section."

Page 149, line 36, after "2c" insert ", 4e, and 4f"

Page 228, line 11, before "HOUSING" insert "MULTIUNIT"

Page 228, line 34, after "residence" insert ", provided that references to owners of housing units in sections 6 to 15 refer to the owners of individual units within a multiunit residential property where appropriate"

Page 240, line 7, delete "determination" and insert "election"

Page 266, after line 19, insert:

"Section 1. Minnesota Statutes 1995 Supplement, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, except that for aid payable in 1996 the class rate applicable to all class 4a shall be 3.4 percent; and (ii) estimated market values for the assessment two years prior to that in which aid is payable. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, or 276A.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, or 276A.06, subdivision 7, for the municipality, as defined in section 473F.02, subdivision 8, or 276A.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1), (2), and (3), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(d) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, or 276A.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08,

subdivision 6, or 276A.06, subdivision 7, for the municipality, as defined in section 473F.02, subdivision 8, or 276A.06, subdivision 7, in which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Equalized school levies" means the amounts levied for:

- (1) general education under section 124A.23, subdivision 2;
- (2) supplemental revenue under section 124A.22, subdivision 8a;
- (3) capital expenditure facilities revenue under section 124.243, subdivision 3;
- (4) capital expenditure equipment revenue under section 124.244, subdivision 2;
- (5) basic transportation under section 124.226, subdivision 1; and
- (6) referendum revenue under section 124A.03.

(g) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the total previous net tax capacity of the unique taxing jurisdiction.

(h) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total net tax capacity based taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

"Taxes levied" excludes equalized school levies.

(i) "Human services aids" means:

- (1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;
- (2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;
- (3) general assistance medical care under section 256D.03, subdivision 6;
- (4) general assistance under section 256D.03, subdivision 2;
- (5) work readiness under section 256D.03, subdivision 2;
- (6) emergency assistance under section 256.871, subdivision 6;
- (7) Minnesota supplemental aid under section 256D.36, subdivision 1;
- (8) preadmission screening and alternative care grants;

- (9) work readiness services under section 256D.051;
- (10) case management services under section 256.736, subdivision 13;
- (11) general assistance claims processing, medical transportation and related costs; and
- (12) medical assistance, medical transportation and related costs.

(j) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(k) "Growth adjustment factor" means the household adjustment factor in the case of counties. In the case of cities, towns, school districts, and special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(l) For aid payable in 1992 and subsequent years, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 less any permanent aid reduction in the previous year to homestead and agricultural credit aid under section 477A.0132, plus, for aid payable in 1992, fiscal disparity homestead and agricultural credit aid under subdivision 2b.

(m) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(n) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), or 276A.06, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies."

Page 270, line 5, delete "5b" and insert "5" and before "tools" insert "unmined iron ore and low-grade iron-bearing formations as defined in section 273.14,"

Page 298, after line 12, insert:

"Sec. 3. Minnesota Statutes 1994, section 295.50, subdivision 6, is amended to read:

Subd. 6. [HOME HEALTH CARE SERVICES.] "Home health care services" are services:

(1) defined under the state medical assistance program as home health agency services provided by a home health agency, personal care services and supervision of personal care services, private duty nursing services, and waived services; and

(2) provided at a recipient's residence, if the recipient does not live in a hospital, nursing facility, as defined in section 62A.46, subdivision 3, or intermediate care facility for persons with mental retardation as defined in section 256B.055, subdivision 12, paragraph (d)."

Page 303, after line 15, insert:

"Sec. 12. [LEGISLATIVE INTENT.]

Section 3 is intended to clarify, rather than change, the original intent of the statute amended."

Page 303, after line 21, insert:

"Sections 3 and 12 are effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Flynn moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Pages 315 and 316, delete sections 2 and 3 and insert:

"Sec. 2. Minnesota Statutes 1994, section 162.07, subdivision 1, is amended to read:

Subdivision 1. [FORMULA.] After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:

(1) An amount equal to ten percent of the apportionment sum shall be apportioned equally among the 87 counties.

(2) An amount equal to ten percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

(3) An amount equal to 30 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total lane miles of approved county state-aid highways bears to the total lane miles of approved statewide county state-aid highways.

(4) An amount equal to 50 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958.

Sec. 3. Minnesota Statutes 1994, section 162.07, subdivision 5, is amended to read:

Subd. 5. [SCREENING BOARD.] On or before September 1 of each year, the county engineer of each county shall forward to the commissioner, on forms prepared by the commissioner, all information relating to the mileage, in lane miles, of the county state-aid highway system in the county, and the money needs of the county that the commissioner deems necessary in order to apportion the county state-aid highway fund in accordance with the formula heretofore set forth in subdivision 1. Upon receipt of the information, the commissioner shall appoint a board consisting of nine 12 county engineers. ~~The board shall be so selected that each county engineer appointed shall be from a different state highway construction district~~ Five county engineers must be appointed from the metropolitan highway construction district and seven county engineers must be appointed from the nonmetropolitan highway construction districts. Each of the seven county engineers appointed from nonmetropolitan districts must be from a different state highway construction district.

No county engineer shall be appointed so as to serve consecutively for more than ~~two~~ four years. The board shall investigate and review the information submitted by each county and shall on or before the first day of November of each year submit its findings and recommendations in writing as to each county's lane mileage and money needs to the commissioner on a form prepared by the commissioner. Final determination of the lane mileage of each system and the money needs of each county shall be made by the commissioner.

Sec. 4. Minnesota Statutes 1994, section 162.07, subdivision 6, is amended to read:

Subd. 6. [ESTIMATES TO BE MADE IF INFORMATION NOT PROVIDED.] In the event that any county shall fail to submit the information provided for herein, the commissioner shall estimate the lane mileage and the money needs of the county. The estimate shall be used in determining the apportionment formula. The commissioner may withhold payment of the amount apportioned to the county until the information is submitted."

Page 327, delete lines 24 and 25

Page 327, line 27, after "3," insert "4," and delete "14" and insert "15"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. Johnson, D.J. imposed a call of the Senate for the balance of the proceedings on H.F. No. 3249. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 33 and nays 31, as follows:

Those who voted in the affirmative were:

Beckman	Flynn	Langseth	Piper	Spear
Belanger	Frederickson	Larson	Pogemiller	Stevens
Berg	Hottinger	Lesewski	Reichgott Junge	Stumpf
Cohen	Janezich	Lessard	Sams	Terwilliger
Day	Johnson, D.E.	Moe, R.D.	Samuelson	Vickerman
Dille	Johnson, D.J.	Morse	Scheevel	
Finn	Kroening	Murphy	Solon	

Those who voted in the negative were:

Anderson	Johnston	Marty	Olson	Robertson
Berglin	Kleis	Merriam	Ourada	Runbeck
Betzold	Knutson	Metzen	Pappas	Wiener
Chandler	Kramer	Mondale	Pariseau	
Fischbach	Krentz	Neuville	Price	
Hanson	Laidig	Novak	Ranum	
Johnson, J.B.	Limmer	Oliver	Riveness	

The motion prevailed. So the amendment was adopted.

Mr. Betzold moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 105, after line 20, insert:

"Sec. 4. Minnesota Statutes 1995 Supplement, section 124.2134, is amended to read:

124.2134 [COMPUTATION OF TAX RATES.]

In computing the ~~basic transportation tax rate under section 124.226, subdivision 1, and the general education tax rate under section 124A.23, subdivision 1,~~ the commissioner shall, notwithstanding section 124.2131, subdivision 1, use adjusted net tax capacities that ~~do not~~ reflect the ~~class rate reductions~~ rates for seasonal residential recreational property not used for commercial purposes, ~~in section 273.13, subdivision 25~~ of two percent for the first \$72,000 of market value and 2.5 percent of the market value in excess of \$72,000. Notwithstanding the dollar amounts amount specified in ~~sections 124.226, subdivision 1, and section 124A.23, subdivision 1,~~

the resulting rate shall be applied to the adjusted net tax capacities as computed under section 124.2131, for purposes of determining ~~the basic transportation levy under section 124.226, subdivision 1, and the general education levy under section 124A.23, subdivision 2.~~ The equalizing factor under section 124A.02, shall be computed using the tax rate computed under this section."

Page 146, line 2, strike "1.9" and insert "1.75" and strike "1.8" and insert "1.5"

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 38 and nays 25, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Larson	Oliver	Runbeck
Betzold	Kelly	Lessard	Olson	Sams
Chandler	Kleis	Limmer	Ourada	Solon
Cohen	Knutson	Marty	Pogemiller	Stevens
Day	Kramer	Metzen	Ranum	Terwilliger
Dille	Krentz	Mondale	Reichgott Junge	Wiener
Hanson	Laidig	Neuville	Riveness	
Johnson, D.E.	Langseth	Novak	Robertson	

Those who voted in the negative were:

Anderson	Fischbach	Johnson, D.J.	Moe, R.D.	Price
Beckman	Flynn	Johnson, J.B.	Morse	Samuelson
Berg	Frederickson	Kroening	Murphy	Scheevel
Berglin	Hottinger	Lesewski	Pappas	Stumpf
Finn	Janezich	Merriam	Piper	Vickerman

The motion prevailed. So the amendment was adopted.

Ms. Runbeck moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 146, line 2, strike "1.9" and insert "1.5" and strike "1.8" and insert "1.25"

Page 146, line 5, strike "2.5 percent" and insert "2.25 percent for taxes payable in 1997 and two percent for taxes payable in 1998 and thereafter"

Page 149, line 33, after "1996" insert "and thereafter"

Page 149, line 34, after "percent" insert "", the class rate applicable to the first \$72,000 of market value of seasonal residential recreational property with a class rate of two percent for taxes payable in 1996 shall be 1.9 percent for taxes payable in 1997 and 1.8 percent for taxes payable in 1998 and thereafter, and the class rate applicable to the market value of seasonal residential recreational property in excess of \$72,000 shall be 2.5 percent"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 1 and nays 58, as follows:

Ms. Runbeck voted in the affirmative.

Those who voted in the negative were:

Anderson	Berglin	Day	Flynn	Janezich
Beckman	Betzold	Dille	Frederickson	Johnson, D.E.
Belanger	Chandler	Finn	Hanson	Johnson, D.J.
Berg	Cohen	Fischbach	Hottinger	Johnson, J.B.

Johnston	Langseth	Mondale	Pogemiller	Scheevel
Kelly	Larson	Morse	Price	Solon
Kleis	Lesewski	Murphy	Ranum	Stevens
Knutson	Lessard	Neuville	Reichgott Junge	Stumpf
Kramer	Limmer	Oliver	Riveness	Terwilliger
Krentz	Marty	Ourada	Robertson	Vickerman
Kroening	Merriam	Pappas	Sams	
Laidig	Moe, R.D.	Piper	Samuelson	

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

Mr. Neuville moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 351, after line 13, insert:

"ARTICLE 21

EDUCATION INVESTMENT

Section 1. [11A.165] [EDUCATION INVESTMENT FUND.]

Subdivision 1. [ESTABLISHMENT.] A fund called the education investment fund is established in the state treasury for the purpose of investing money for grants to post-secondary students under section 136A.123. Accounts may be established within the fund for specific fields of study or geographical areas to which a corporation or individual wishes to contribute. Accounts may not be established that discriminate on the basis of race, ethnicity, or gender.

Subd. 2. [ASSETS.] The assets of the education investment fund shall consist of money contributed by private corporations, foundations, or individuals, and all income from the investment of contributions to the fund. All assets of the fund are appropriated for the purpose of supporting grants under section 136A.123.

Subd. 3. [MANAGEMENT.] The education investment fund shall be managed by the board.

Subd. 4. [INVESTMENTS.] The education investment fund shall be invested subject to the provisions of section 11A.24.

Subd. 5. [DISTRIBUTION OF ASSETS.] The board shall annually transfer appropriations from the fund to the higher education services office for distribution to eligible students under section 136A.123. Appropriations transferred to the higher education services office which are not spent do not cancel but are available for grants in the following fiscal year.

Sec. 2. [136A.123] [EDUCATION INVESTMENT GRANT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] An education investment grant program is established to provide grants to low-income students who withdraw funds from a qualified savings plan to pay for their post-secondary education.

Subd. 2. [ELIGIBILITY.] To be eligible to receive a grant from an account within the fund, a student must be:

(1) a resident of the state of Minnesota;

(2) enrolled at least half time in an undergraduate program of instruction at a public or private post-secondary institution; and

(3) expend funds withdrawn from a savings plan under section 290.0803 to pay for post-secondary education expenses in the award year.

Subd. 3. [ALLOCATION; AWARDS.] Grants must be awarded on a funds available basis from appropriations transferred to the office by the state board of investment under section 11A.165. The office shall establish rules to govern the size and distribution of grant awards. If

insufficient funds are available to award grants to all eligible applicants, the office shall give priority to applicants who demonstrate the greatest savings effort relative to income. A grant awarded under this section does not affect a recipient's eligibility for a state grant under section 136A.121.

Sec. 3. Minnesota Statutes 1994, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute, and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code, making the payment; and

(iii) for the purposes of items (i) and (ii), interest on obligations of an Indian tribal government described in section 7871(c) of the Internal Revenue Code shall be treated as interest income on obligations of the state in which the tribe is located;

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code. For the purpose of this paragraph, the disallowance of itemized deductions under section 68 of the Internal Revenue Code of 1986, income tax is the last itemized deduction disallowed;

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law Number 99-514, applies; and

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729; and

(5) the amount provided by section 290.0803, subdivision 3.

Sec. 4. Minnesota Statutes 1995 Supplement, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g;

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(8) to the extent not deducted in determining federal taxable income, the amount paid for health insurance of self-employed individuals as determined under section 162(l) of the Internal Revenue Code, except that the 25 percent limit does not apply. If the taxpayer deducted insurance payments under section 213 of the Internal Revenue Code of 1986, the subtraction under this clause must be reduced by the lesser of:

(i) the total itemized deductions allowed under section 63(d) of the Internal Revenue Code, less state, local, and foreign income taxes deductible under section 164 of the Internal Revenue Code and the standard deduction under section 63(c) of the Internal Revenue Code; or

(ii) the lesser of (A) the amount of insurance qualifying as "medical care" under section 213(d) of the Internal Revenue Code to the extent not deducted under section 162(1) of the Internal Revenue Code or excluded from income or (B) the total amount deductible for medical care under section 213(a); ~~and~~

(9) the exemption amount allowed under Laws 1995, chapter 255, article 3, section 2, subdivision 3; and

(10) the subtraction provided by section 290.0803, subdivision 2.

Sec. 5. [290.0803] [HIGHER EDUCATION TRUSTS.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Higher education trust" means a grantor trust created or organized in Minnesota for the purpose of funding the qualified education expenses of the grantor, but only if the written governing instrument creating the trust meets the following requirements:

(1) No contributions shall be accepted unless it is in cash, and contributions shall not be accepted for the taxable year in excess of \$2,000.

(2) The trustee is a bank or other person who demonstrates to the satisfaction of the commissioner that the manner in which the other person will administer the trust will be consistent with the requirements of this section.

(3) No part of the trust funds shall be invested in life insurance contracts.

(4) The interest of an individual in the balance of the individual's account is nonforfeitable.

(5) The assets of the trust shall not be commingled with other property except in a common trust fund or common investment fund.

(6) The trust is not taxed for federal tax purposes as an individual retirement account under section 408 of the Internal Revenue Code.

(c) "Qualified education expense of the grantor" means tuition, books, and fees required for the enrollment or attendance at an eligible education institution of the grantor; the grantor's spouse; or any child, grandchild, or ancestor of the grantor or grantor's spouse. A qualified education expense of the grantor does not include expenses with respect to any course or other education involving sports, games, or hobbies other than as part of a degree program.

The amount of qualified higher education expenses otherwise taken into account under this paragraph with respect to the education of an individual shall be reduced, before the application of this paragraph, by the sum of the amounts received with respect to the individual for the taxable year as:

(1) a qualified scholarship which under section 117 of the Internal Revenue Code of 1986 is not includable in gross income;

(2) an educational assistance allowance under United States Code, title 38, chapter 30, 31, 32, 34, or 35;

(3) a payment, other than a gift, bequest, devise, or inheritance within the meaning of section 102(a) of the Internal Revenue Code for educational expenses, or attributable to attendance at an eligible educational institution, which is exempt from income taxation by any law of the United States; or

(4) amounts excluded from federal taxable income under section 135 of the Internal Revenue Code.

(d) For the purposes of paragraph (c), "eligible educational institution" means:

(1) an institution described in section 1201(a) or subparagraph (C) or (D) of section 481(a)(1) of the Higher Education Act of 1965; or

(2) an area vocational education school, as defined in subparagraph (C) or (D) of section 521(3) of the Carl D. Perkins' Vocational Education Act, that is in any state, as defined in section 521(27) of the Carl D. Perkins' Vocational Education Act.

Subd. 2. [SUBTRACTION.] The grantor is allowed a subtraction from federal taxable income in the amount of (1) the contribution made by the grantor to a higher education trust in the grantor's taxable year, and (2) any net income or net capital gain other than income which is excluded from Minnesota tax by section 290.01, subdivision 19b, clause (1), generated by the higher education trust that is included in the grantor's federal taxable income for the year.

Subd. 3. [ADDITION.] The net income or capital loss of a higher education trust for a tax year which is included in the computation of the grantor's federal taxable income must be added to federal taxable income to the extent the loss is included in the grantor's computation of federal taxable income.

Subd. 4. [TAX ON DISTRIBUTION FROM A HIGHER EDUCATION TRUST.] In the event of distribution from a higher education trust within five years of the establishment of the higher education trust or in a year in which the distribution exceeds the qualified education expense of the

grantor for the year notwithstanding any provision to the contrary, there is imposed on the grantor or the grantor's estate an additional tax in the amount of (1) two percent plus the highest marginal tax rate applicable to the grantor's net income in the year of distribution under section 290.06, subdivision 2c, clause (a), multiplied by the amount of the distribution if the distribution is made within five years of the establishment of the trust; or (2) the percentage determined under clause (1) multiplied by the amount of the distribution which exceeds the qualified education expense of the grantor for the year for distributions from a trust in existence for more than five years.

This tax applies regardless of whether the true grantor is a resident or nonresident of Minnesota in the year of distribution.

In no event shall the cumulative distributions subject to the tax in this subdivision exceed the cumulative amount of subtractions less cumulative additions claimed by the grantor on the grantor's Minnesota individual income tax returns for tax years prior to the year of distribution. Notwithstanding the filing requirements of section 289A.08, subdivision 1, a grantor is required to file a Minnesota individual tax return for any year in which the tax provided by this subdivision is imposed.

Subd. 5. [RETURNS OF HIGHER EDUCATION TRUSTS.] For each year a higher education trust is in existence, the grantor of the trust is required to file a return with the commissioner by October 15 of the year following the tax year. The return must include the social security number of the grantor, the amount of the contributions made to the trust by the grantor in the year, the amount of net income or loss of the trust for the year, the amount of distributions made in the year, and the amount of the qualified higher education expense incurred by the grantor in the year.

Subd. 6. [SUNSET OF THE SUBTRACTION AND ADDITION.] If the federal government enacts an income tax provision providing for nondeductible individual retirement accounts similar to the provision proposed by Congress in section 11015 of Revenue Reconciliation and Tax Simplification Provisions from Conference Report on HR 2491, Seven-Year Balanced Budget Reconciliation Act of 1995, filed November 16, 1995, the subtraction and additions provided by subdivisions 2 and 3 will not be allowed for tax years beginning after the year of federal enactment.

Subd. 7. [ROLL-OVER OF DISTRIBUTIONS FROM HIGHER EDUCATION TRUSTS MADE AFTER THE YEAR OF THE SUNSET OF SUBDIVISION 2.] If the federal government enacts a tax provision as provided in subdivision 6, the tax imposed by subdivision 4 will be reduced by the percentage determined under subdivision 4 of the amount contributed by the grantor to the nondeductible individual retirement account established by the grantor, other than the roll-over proceeds from an individual retirement account governed by section 407 of the Internal Revenue Code, in the year of distribution.

Sec. 6. Minnesota Statutes 1994, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding the Minnesota charitable contribution deduction and the medical expense deduction;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1);

less the sum of the amounts determined under the following clauses (1) to ~~(3)~~ (4):

(1) interest income as defined in section 290.01, subdivision 19b, clause (1);

(2) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2), to the extent included in federal alternative minimum taxable income; ~~and~~

(3) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income; and

(4) the amount provided in subdivision 19b, clause (10).

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Tentative minimum tax" equals seven percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Net minimum tax" means the minimum tax imposed by this section.

(f) "Minnesota charitable contribution deduction" means a charitable contribution deduction under section 170 of the Internal Revenue Code to or for the use of an entity described in section 290.21, subdivision 3, clauses (a) to (e).

Sec. 7. Minnesota Statutes 1994, section 290.091, subdivision 6, is amended to read:

Subd. 6. [CREDIT FOR PRIOR YEARS' LIABILITY.] (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for the taxable year of

(1) the regular tax, over

(2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

(b) The adjusted net minimum tax for a taxable year equals the lesser of the net minimum tax or the excess (if any) of

(1) the tentative minimum tax, over

(2) seven percent of the sum of

(i) adjusted gross income as defined in section 62 of the Internal Revenue Code,

(ii) interest income as defined in section 290.01, subdivision 19a, clause (1),

(iii) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (ii),

(iv) depletion as defined in section 57(a)(1), determined without regard to the last sentence of paragraph (1), of the Internal Revenue Code, less

(v) the deductions provided in subdivision 2, paragraph (a), ~~clauses~~ clause (5), items ~~(i), (ii), and (iii)~~ (1) to (4), and

(vi) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted net minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

Sec. 8. [EFFECTIVE DATES.]

Sections 3 to 7 are effective for tax years beginning after December 31, 1996."

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Laidig	Oliver	Stevens
Berg	Johnston	Larson	Olson	Terwilliger
Cohen	Kelly	Lesewski	Ourada	Wiener
Day	Kleis	Limmer	Robertson	
Dille	Knutson	Metzen	Runbeck	
Fischbach	Kramer	Neuville	Scheevel	
Frederickson	Krentz	Novak	Solon	

Those who voted in the negative were:

Anderson	Hanson	Lessard	Pappas	Sams
Beckman	Hottinger	Marty	Piper	Samuelson
Berglin	Janezich	Merriam	Pogemiller	Stumpf
Betzold	Johnson, D.J.	Moe, R.D.	Price	Vickerman
Chandler	Johnson, J.B.	Mondale	Ranum	
Finn	Kroening	Morse	Reichgott Junge	
Flynn	Langseth	Murphy	Riveness	

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

Mr. Berg moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Pages 73 to 80, delete sections 13 and 14

Page 80, delete lines 21 and 22

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 20 and nays 43, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Hottinger	Limmer	Morse
Berg	Dille	Krentz	Marty	Pappas
Berglin	Finn	Larson	Merriam	Ranum
Chandler	Flynn	Lesewski	Metzen	Reichgott Junge

Those who voted in the negative were:

Beckman	Johnson, D.J.	Langseth	Ourada	Scheevel
Belanger	Johnson, J.B.	Lessard	Piper	Solon
Betzold	Johnston	Moe, R.D.	Pogemiller	Stevens
Day	Kelly	Mondale	Price	Stumpf
Fischbach	Kleis	Murphy	Riveness	Terwilliger
Frederickson	Knutson	Neuville	Robertson	Vickerman
Hanson	Kramer	Novak	Runbeck	Wiener
Janezich	Kroening	Oliver	Sams	
Johnson, D.E.	Laidig	Olson	Samuelson	

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

Mr. Lessard moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Pages 266 to 289, delete article 15

Page 350, after line 27, insert:

"Sec. 21. [STUDY OF RANGE FISCAL DISPARITIES.]

The iron range resources and rehabilitation board and the commissioner of revenue shall study the potential impact of adopting a tax base sharing system similar to the system imposed under Minnesota Statutes, chapter 473F, to apply to the taconite tax relief area defined in Minnesota Statutes, section 273.134. In conducting the study, the board and the commissioner shall consult with representatives of the local governments in the area. The board and the commissioner shall report on the analysis and conclusions to the legislature by January 15, 1998."

Renumber the articles and 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 15 and nays 46, as follows:

Those who voted in the affirmative were:

Beckman	Johnston	Langseth	Ourada	Stevens
Berg	Knutson	Lesewski	Runbeck	Terwilliger
Dille	Laidig	Lessard	Scheevel	Vickerman

Those who voted in the negative were:

Anderson	Hottinger	Larson	Novak	Robertson
Belanger	Janezich	Limmer	Oliver	Sams
Berglin	Johnson, D.E.	Marty	Olson	Samuelson
Betzold	Johnson, D.J.	Merriam	Pappas	Solon
Cohen	Johnson, J.B.	Metzen	Piper	Stumpf
Day	Kelly	Moe, R.D.	Pogemiller	Wiener
Fischbach	Kleis	Mondale	Price	
Flynn	Kramer	Morse	Ranum	
Frederickson	Krentz	Murphy	Reichgott Junge	
Hanson	Kroening	Neuville	Riveness	

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

Mr. Lessard moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 270, line 3, delete "1996" and insert "1997"

Page 273, line 2, delete "1997" and insert "1998"

Page 273, line 32, delete "1996" and insert "1997"

Page 274, line 1, delete "1996" and insert "1997"

Page 274, lines 3 and 13, delete "1995" and insert "1996"

Page 274, line 8, delete "1997" and insert "1998"

Page 276, line 32, delete "1997" and insert "1998"

Page 277, lines 1, 5, and 15, delete "1997" and insert "1998"

Page 289, line 19, delete "1997" and insert "1998"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 41, as follows:

Those who voted in the affirmative were:

Berg	Lessard	Oliver	Samuelson	Vickerman
Kramer	Limmer	Ourada	Scheevel	
Langseth	Neuville	Runbeck	Stevens	
Lesewski	Novak	Sams	Stumpf	

Those who voted in the negative were:

Anderson	Flynn	Kleis	Morse	Riveness
Belanger	Frederickson	Knutson	Murphy	Robertson
Berglin	Hottinger	Krentz	Olson	Solon
Betzold	Janezich	Kroening	Pappas	Terwilliger
Cohen	Johnson, D.E.	Laidig	Piper	Wiener
Day	Johnson, D.J.	Larson	Pogemiller	
Dille	Johnson, J.B.	Marty	Price	
Finn	Johnston	Merriam	Ranum	
Fischbach	Kelly	Metzen	Reichgott Junge	

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

Mr. Dille moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 92, delete sections 22 and 23

Pages 333 and 334, delete section 3

Page 350, delete section 20

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Merriam requested division of the amendment as follows:

First portion:

Pages 333 and 334, delete section 3

Second portion:

Page 92, delete sections 22 and 23

Page 350, delete section 20

Mr. Morse moved to amend the Dille amendment to H.F. No. 3249 as follows:

Page 1, delete line 6 and insert:

"Page 334, delete lines 12 to 17

Page 334, line 18, delete "3" and insert "2"

The question was taken on the adoption of the Morse amendment to the Dille amendment.

The roll was called, and there were yeas 1 and nays 55, as follows:

Mr. Morse voted in the affirmative.

Those who voted in the negative were:

Anderson	Flynn	Knutson	Merriam	Price
Beckman	Frederickson	Kramer	Moe, R.D.	Ranum
Belanger	Hanson	Krentz	Mondale	Reichgott Junge
Berg	Hottinger	Kroening	Murphy	Riveness
Betzold	Janezich	Laidig	Neuville	Robertson
Chandler	Johnson, D.E.	Langseth	Novak	Runbeck
Cohen	Johnson, D.J.	Larson	Oliver	Scheevel
Day	Johnson, J.B.	Lesewski	Olson	Stevens
Dille	Johnston	Lessard	Ourada	Stumpf
Finn	Kelly	Limmer	Piper	Vickerman
Fischbach	Kleis	Marty	Pogemiller	Wiener

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

The question recurred on the adoption of the first portion of the Dille amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

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

Those who voted in the affirmative were:

Belanger	Frederickson	Laidig	Mondale	Riveness
Berg	Johnson, D.E.	Lesewski	Murphy	Runbeck
Betzold	Johnston	Lessard	Neuville	Scheevel
Day	Kelly	Limmer	Olson	Stevens
Dille	Kleis	Merriam	Ourada	Terwilliger
Fischbach	Knutson	Moe, R.D.	Price	Wiener

Those who voted in the negative were:

Anderson	Flynn	Krentz	Novak	Reichgott Junge
Beckman	Hanson	Kroening	Oliver	Robertson
Berglin	Hottinger	Langseth	Pappas	Sams
Chandler	Janezich	Larson	Piper	Samuelson
Cohen	Johnson, D.J.	Marty	Pogemiller	Stumpf
Finn	Johnson, J.B.	Morse	Ranum	Vickerman

The motion did not prevail. So the first portion of the Dille amendment was not adopted.

Mr. Dille withdrew the second portion of his amendment.

Mr. Merriam moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 320, delete section 6

Pages 320 to 327, delete sections 9 to 12

Page 327, delete lines 20 to 23

Page 327, line 24, delete "(b)"

Page 327, delete lines 31 to 33 and insert "1997."

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 27 and nays 34, as follows:

Those who voted in the affirmative were:

Fischbach	Kramer	Limmer	Ourada	Stevens
Frederickson	Krentz	Merriam	Price	Terwilliger
Johnson, D.E.	Laidig	Neuville	Ranum	Wiener
Johnston	Larson	Novak	Robertson	
Kleis	Lesewski	Oliver	Runbeck	
Knutson	Lessard	Olson	Scheevel	

Those who voted in the negative were:

Anderson	Cohen	Janezich	Moe, R.D.	Reichgott Junge
Beckman	Day	Johnson, D.J.	Mondale	Riveness
Belanger	Dille	Johnson, J.B.	Morse	Sams
Berg	Finn	Kelly	Murphy	Samuelson
Berglin	Flynn	Kroening	Pappas	Stumpf
Betzold	Hanson	Langseth	Piper	Vickerman
Chandler	Hottinger	Marty	Pogemiller	

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

Mr. Kramer moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 65, after line 29, insert:

"Sec. 9. [290.0673] [LONG-TERM CARE INSURANCE CREDIT.]

A taxpayer is allowed a credit against the tax imposed by this chapter for long-term care insurance policy premiums paid during the tax year. The credit for each policy equals the lesser of 25 percent of premiums paid or \$100. A taxpayer may claim a credit for only one policy for each qualified beneficiary. The maximum total credit allowed any taxpayer is \$600 per year. For purposes of this section, "long-term care insurance" has the meaning given in section 62A.46, and "qualified beneficiary" means the taxpayer, spouse, taxpayer's parent or stepparent, or spouse's parent or stepparent. For a nonresident or part-year resident, the credit determined under this section must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e)."

Page 80, line 17, delete "12" and insert "13"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Mr. Pogemiller moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 351, after line 13, insert:

"ARTICLE 21
BUDGET RESERVE

Section 1. Minnesota Statutes 1995 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL REVENUES; PRIORITY.] If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget reserve until the total amount in the account is \$220,000,000. An amount equal to any additional biennial unrestricted budgetary general fund balances balance made available as the result of a forecast after November 1 of every an odd-numbered calendar year are is appropriated in January of the following year to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to zero before additional money beyond \$220,000,000 is allocated to the budget reserve account. The amount appropriated is the full amount forecast to be available at the end of the biennium and is not limited to the amount forecast to be available at the end of the current fiscal year.

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

Sec. 2. Minnesota Statutes 1995 Supplement, section 121.904, subdivision 4c, is amended to read:

Subd. 4c. [CHANGE IN LEVY RECOGNITION PERCENT.] (a) Money appropriated under section 16A.152, subdivision 2, must be used to reduce the levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), for taxes payable in the ~~succeeding~~ same calendar year.

(b) The levy recognition percent shall equal the result of the following computation: the current levy recognition percent, times the ratio of

(1) the statewide total amount of levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1, reduced by the difference between the amount of money appropriated under section 16A.152, subdivision 2, and the amount required for the adjustment payment under clause (d), to

(2) the statewide total amount of the levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1.

The result shall be rounded up to the nearest one-tenth of a percent. However, in no case shall the levy recognition percent be reduced below zero or increased above the current levy recognition percent.

(c) The commissioner of finance must certify to the commissioner of children, families, and learning the amount available to reduce the levy recognition percent computed under this subdivision by January 5 of each year. The commissioner of children, families, and learning must notify school districts of a the resulting change in the levy recognition percent by January 15 of the same month.

(d) When the levy recognition percent is increased or decreased as provided in this subdivision, a special aid adjustment shall be made to each school district with an operating referendum levy:

(i) When the levy recognition percent is increased from the prior fiscal year, the commissioner of children, families, and learning shall calculate the difference between (1) the amount of the levy under section 124A.03, that is recognized as revenue for the current fiscal year according to subdivision 4a; and (2) the amount of the levy, under section 124A.03, that would have been recognized as revenue for the current fiscal year had the percentage according to subdivision 4a,

not been increased. The commissioner shall reduce other aids due the district by the amount of the difference. This aid reduction shall be in addition to the aid reduction required because of the increase pursuant to this subdivision of the levy recognition percent.

(ii) When the levy recognition percent is reduced from the prior fiscal year, a special adjustment payment shall be made to each school district with an operating referendum levy that received an aid reduction when the levy recognition percent was last increased. The special adjustment payment shall be in addition to the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. The amount of the special adjustment payment shall be computed by the commissioner of children, families, and learning such that any remaining portion of the aid reduction these districts received that has not been repaid is repaid on a proportionate basis as the levy recognition percent is reduced from 50 percent to 31 percent. The special adjustment payment must be included in the state aid payments to school districts according to the schedule specified in section 124.195, subdivision 3.

(e) The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of children, families, and learning, the amounts needed to finance the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. Payments to a school district of additional state aids resulting from a reduction in the levy recognition percent must be included in the cash metering of payments made according to section 124.195 after January 15, and must be paid in a manner consistent with the percent specified in that section.

Sec. 3. [REPEALER.]

Minnesota Statutes 1995 Supplement, section 121.904, subdivision 4d, is repealed.

Sec. 4. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend H.F. No. 3249, as amended by the Senate March 8, 1996, as follows:

(The text of the amended House File is identical to S.F. No. 2115.)

Page 340, after line 14, insert:

"Sec. 9. Minnesota Statutes 1994, section 270.60, subdivision 1, is amended to read:

Subdivision 1. [TAXES PAID BY INDIANS.] The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any federally recognized Indian reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any sales or excise tax paid by the total resident Indian population on or adjacent to a reservation into the state treasury, ~~or for an amount which measures the economic value of an agreement by the tribal government to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation,~~ notwithstanding any other law which limits the refundment of taxes. The total resident Indian population on or adjacent to a reservation shall be defined according to the United States Department of the Interior, Bureau of Indian Affairs, as determined and stated in its Report on Service Population and Labor Force. The amount of the tax estimated to have been paid must be based on a reasonable estimate of per capita expenditures or consumption."

Page 342, after line 13, insert:

"Sec. 14. Minnesota Statutes 1994, section 297.03, subdivision 4, is amended to read:

Subd. 4. [STAMPS; DESIGN, PRINTING.] The commissioner shall adopt the design of two stamps. One stamp shall be designed for application to cigarette packages destined for retail sale

on an Indian reservation which is a party to an agreement pursuant to section 270.60, subdivision 2, and only to those packages. A second stamp shall be designed for all other cigarette packages subject to the provisions of this chapter. The commissioner shall arrange for the printing thereof in such amounts and denominations as the commissioner deems necessary."

Page 350, after line 27, insert:

"Sec. 23. [REPEALER.]

Minnesota Statutes 1994, section 270.60, subdivision 2, is repealed."

Page 351, after line 2, insert:

"Sections 9, 14, and 23 are effective for all agreements entered into after June 30, 1996. For agreements entered into before that date, this section is effective so that the commissioner of revenue shall exercise the power to invoke the earliest termination date of those agreements and renegotiate them in accordance with sections 9, 14, and 23."

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 26 and nays 31, as follows:

Those who voted in the affirmative were:

Beckman	Johnston	Laidig	Olson	Terwilliger
Belanger	Kelly	Larson	Ourada	Vickerman
Berg	Kleis	Lesewski	Robertson	
Day	Knutson	Lessard	Runbeck	
Dille	Kramer	Neuville	Scheevel	
Fischbach	Kroening	Oliver	Stevens	

Those who voted in the negative were:

Anderson	Hottinger	Marty	Pappas	Samuelson
Berglin	Janezich	Merriam	Pogemiller	Stumpf
Betzold	Johnson, D.E.	Moe, R.D.	Price	Wiener
Finn	Johnson, D.J.	Mondale	Ranum	
Flynn	Johnson, J.B.	Morse	Reichgott Junge	
Frederickson	Krentz	Murphy	Riveness	
Hanson	Limmer	Novak	Sams	

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

Mr. Moe, R.D. moved that H.F. No. 3249 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 3243:

H.F. No. 3243: A bill for an act relating to the organization and operation of state government; appropriating money for economic development and other purposes; providing for assessments against utilities; amending Minnesota Statutes 1994, sections 116G.151; 138.664, by adding a

subdivision; 138.763, subdivision 1; 168.33, subdivision 2; and 469.303; Minnesota Statutes 1995 Supplement, sections 79.561, subdivision 3; 138.01, by adding a subdivision; Laws 1994, chapter 573, sections 1, subdivisions 6 and 7; 4; and 5, subdivisions 1 and 2; Laws 1995, chapters 231, article 1, section 33; and 224, sections 2, subdivision 2; and 5, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1994, sections 116J.873, subdivisions 1, 2, and 4; 138.662, subdivision 5; and 268.9783, subdivision 8; Minnesota Statutes 1995 Supplement, section 116J.873, subdivisions 3 and 5.

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

Rice, Mahon, Leighton, Clark and Ozment have been appointed as such committee on the part of the House.

House File No. 3243 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 8, 1996

Mr. Kroening moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3243, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Berglin moved that S.F. No. 1872 be taken from the table. The motion prevailed.

S.F. No. 1872: A bill for an act relating to peace officer training; requiring peace officers to undergo training in community policing techniques; proposing coding for new law in Minnesota Statutes, chapter 626.

Ms. Berglin moved that the Senate do not concur in the amendments by the House to S.F. No. 1872, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

RECESS

Mr. Moe, R.D. 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

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 2856: Messrs. Beckman, Spear, Ms. Ranum, Messrs. Kelly and Neuville.

S.F. No. 1872: Ms. Berglin, Messrs. Kelly and Limmer.

S.F. No. 3243: Messrs. Kroening, Novak, Ms. Anderson, Mr. Dille and Ms. Lesewski.

S.F. No. 2167: Messrs. Morse, Merriam, Price, Ms. Johnson, J.B. and Mr. Laidig.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Chmielewski was excused from the Session of today. Messrs. Moe, R.D. and Johnson, D.E. were excused from the Session of today from 9:00 a.m. to 1:00 p.m. Mr. Janezich was excused from the Session of today from 9:00 a.m. to 3:10 p.m. Mr. Novak was excused from the Session of today from 12:20 to 2:00 p.m. Ms. Kiscaden was excused from the Session of today at 2:45 p.m. Mrs. Pariseau and Mr. Spear were excused from the Session of today at 5:00 p.m. Messrs. Metzen and Solon were excused from the Session of today at 7:00 p.m. Mr. Cohen was excused from the Session of today at 8:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Monday, March 11, 1996. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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