

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-SECOND LEGISLATURE

ONE HUNDRED THIRTEENTH DAY

St. Paul, Minnesota, Thursday, May 16, 2002

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by Senator Dean E. Johnson.

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

Anderson	Frederickson	Lessard	Pariseau	Schwab
Bachmann	Higgins	Limmer	Pogemiller	Solon, Y.P.
Belanger	Hottinger	Lourey	Price	Stevens
Berg	Johnson, Dean	Marty	Ranum	Stumpf
Berglin	Johnson, Debbie	Metzen	Reiter	Terwilliger
Betzold	Kelley, S.P.	Moe, R.D.	Rest	Tomassoni
Chaudhary	Kierlin	Moua	Ring	Vickerman
Cohen	Kleis	Murphy	Robertson	Wiener
Day	Knutson	Neuville	Robling	Wiger
Dille	Krentz	Oliver	Sabo	
Fischbach	Langseth	Olson	Sams	
Foley	Larson	Ourada	Samuelson	
Fowler	Lesewski	Pappas	Scheid	

The President declared a quorum present.

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

MEMBERS EXCUSED

Senators Johnson, Dave; Johnson, Doug; Kinkel; Kiscaden and Scheevel were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 15, 2002

The Honorable Don Samuelson
President of the Senate

Dear President Samuelson:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 2727, 3246 and 2448.

Sincerely,
Jesse Ventura, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2433, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2433: A bill for an act relating to crimes; defining the crimes of sexual conduct in third and fourth degrees to include persons who sexually penetrate vulnerable adults under certain circumstances and who are agents of special transportation service providers; prescribing penalties; amending Minnesota Statutes 2000, sections 609.341, by adding a subdivision; 609.349; Minnesota Statutes 2001 Supplement, sections 609.344, subdivision 1; 609.345, subdivision 1.

Senate File No. 2433 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 2002

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 3431, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 3431: A bill for an act relating to employment; regulating eligibility for unemployment compensation benefits; providing for a special assessment for interest on federal loans; providing for extended unemployment compensation benefits; providing for unemployment insurance and workforce development fund taxes; providing extended benefits for airline industry, Fingerhut Companies, Inc., Farmland Foods Company, Potlatch Corporation, Harsco, Incorporated, and SPX-DeZurik employees; making housekeeping changes related to the department of trade and economic development; repealing certain authority given to city of Chisago relating to annexation arguments; requiring an OSHA ergonomics standard; prohibiting employers from charging certain expenses to employees; regulating redevelopment grants; allowing foster parents to take certain leaves; providing certain youth employment to construct early childhood program facilities; reinstating a repealed law; providing unemployment benefits to certain employees doing food service contract work for school districts; requiring the public utilities commission to study criteria for certain energy source acquisitions; requiring a study on unemployment trust fund solvency by the unemployment insurance advisory council; regulating use of state dislocated worker program grants; amending Minnesota Statutes 2000, sections 48.24, subdivision 5; 116J.565, subdivision 1; 116J.58, subdivision 1; 116J.9665, subdivisions 1, 4, 6; 116M.14, subdivision 4; 116M.18, subdivisions 2, 3, 4, 4a, 5, 8, by adding a subdivision; 119A.45; 181.9412, by adding a subdivision; 268.035, subdivision 24; 268.051, subdivision 8; 268.085, subdivision 8; 298.22, subdivision 7, by adding a subdivision; Minnesota Statutes 2001 Supplement, sections 116L.17, subdivision 5; 268.022, subdivision 1; 268.035, subdivision 4; 268.07, subdivisions 1, 2; Laws 2001, First Special Session chapter 4, article 1, section 2, subdivision 5; Laws 2001, First Special Session chapter 4, article 2, section 31; proposing coding for new law in Minnesota Statutes, chapter 181; repealing Minnesota Statutes 2000, sections 116J.9672; 116J.9673; Laws 2001, First Special Session chapter 5, article 3, section 88.

Senate File No. 3431 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 2002

MOTIONS AND RESOLUTIONS

S.F. No. 3172 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 3172

A bill for an act relating to crimes; requiring a ten-year conditional release period when a person has a previous sex offense conviction regardless of the state in which it occurred; making it a ten-year felony when a person commits certain prohibited acts when the act is committed with sexual or aggressive intent; defining aggravated harassing conduct to include acts of criminal sexual conduct as predicate offenses for a pattern of harassing conduct; prescribing penalties; amending Minnesota Statutes 2000, sections 609.109, subdivision 7; 609.749, subdivisions 1a, 3; Minnesota Statutes 2001 Supplement, section 609.749, subdivisions 4, 5.

May 15, 2002

The Honorable Don Samuelson
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 3172, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 3172 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 244.052, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(1) "confinement" means confinement in a state correctional facility or a state treatment facility;

(2) "immediate household" means any and all individuals who live in the same household as the offender;

(3) "law enforcement agency" means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release;

(3) (4) "residential facility" means a facility that is licensed as a residential program, as defined in section 245A.02, subdivision 14, by the commissioner of human services under chapter 245A, or the commissioner of corrections under section 241.021, whose staff are trained in the supervision of sex offenders; and

(4) (5) "predatory offender" and "offender" mean a person who is required to register as a predatory offender under section 243.166. However, the terms do not include persons required to register based solely on a delinquency adjudication.

Sec. 2. Minnesota Statutes 2000, section 244.052, subdivision 4, is amended to read:

Subd. 4. [LAW ENFORCEMENT AGENCY; DISCLOSURE OF INFORMATION TO PUBLIC.] (a) The law enforcement agency in the area where the predatory offender resides, expects to reside, is employed, or is regularly found, shall disclose to the public any information regarding the offender contained in the report forwarded to the agency under subdivision 3, paragraph (f), that is relevant and necessary to protect the public and to counteract the offender's dangerousness, consistent with the guidelines in paragraph (b). The extent of the information

disclosed and the community to whom disclosure is made must relate to the level of danger posed by the offender, to the offender's pattern of offending behavior, and to the need of community members for information to enhance their individual and collective safety.

(b) The law enforcement agency shall employ the following guidelines in determining the scope of disclosure made under this subdivision:

(1) if the offender is assigned to risk level I, the agency may maintain information regarding the offender within the agency and may disclose it to other law enforcement agencies. Additionally, the agency may disclose the information to any victims of or witnesses to the offense committed by the offender. The agency shall disclose the information to victims of the offense committed by the offender who have requested disclosure and to adult members of the offender's immediate household;

(2) if the offender is assigned to risk level II, the agency also may disclose the information to agencies and groups that the offender is likely to encounter for the purpose of securing those institutions and protecting individuals in their care while they are on or near the premises of the institution. These agencies and groups include the staff members of public and private educational institutions, day care establishments, and establishments and organizations that primarily serve individuals likely to be victimized by the offender. The agency also may disclose the information to individuals the agency believes are likely to be victimized by the offender. The agency's belief shall be based on the offender's pattern of offending or victim preference as documented in the information provided by the department of corrections or human services;

(3) if the offender is assigned to risk level III, the agency shall disclose the information to the persons and entities described in clauses (1) and (2) and to other members of the community whom the offender is likely to encounter, unless the law enforcement agency determines that public safety would be compromised by the disclosure or that a more limited disclosure is necessary to protect the identity of the victim.

Notwithstanding the assignment of a predatory offender to risk level II or III, a law enforcement agency may not make the disclosures permitted or required by clause (2) or (3), if: the offender is placed or resides in a residential facility. However, if an offender is placed or resides in a residential facility, the offender and the head of the facility shall designate the offender's likely residence upon release from the facility and the head of the facility shall notify the commissioner of corrections or the commissioner of human services of the offender's likely residence at least 14 days before the offender's scheduled release date. The commissioner shall give this information to the law enforcement agency having jurisdiction over the offender's likely residence. The head of the residential facility also shall notify the commissioner of corrections or human services within 48 hours after finalizing the offender's approved relocation plan to a permanent residence. Within five days after receiving this notification, the appropriate commissioner shall give to the appropriate law enforcement agency all relevant information the commissioner has concerning the offender, including information on the risk factors in the offender's history and the risk level to which the offender was assigned. After receiving this information, the law enforcement agency shall make the disclosures permitted or required by clause (2) or (3), as appropriate.

(c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

(1) the organizations or community members are in a location or in close proximity to a location where the offender lives or is employed, or which the offender visits or is likely to visit on a regular basis, other than the location of the offender's outpatient treatment program; and

(2) the types of interaction which ordinarily occur at that location and other circumstances indicate that contact with the offender is reasonably certain.

(d) A law enforcement agency or official who discloses information under this subdivision shall make a good faith effort to make the notification within 14 days of receipt of a confirmed address from the department of corrections indicating that the offender will be, or has been, released from confinement, or accepted for supervision, or has moved to a new address and will

reside at the address indicated. If a change occurs in the release plan, this notification provision does not require an extension of the release date.

(e) A law enforcement agency or official who discloses information under this subdivision shall not disclose the identity or any identifying characteristics of the victims of or witnesses to the offender's offenses.

(f) A law enforcement agency shall continue to disclose information on an offender as required by this subdivision for as long as the offender is required to register under section 243.166.

(g) A law enforcement agency that is disclosing information on an offender assigned to risk level III to the public under this subdivision shall inform the commissioner of corrections what information is being disclosed and forward this information to the commissioner within two days of the agency's determination. The commissioner shall post this information on the Internet as required in subdivision 4b.

(h) A city council may adopt a policy that addresses when information disclosed under this subdivision must be presented in languages in addition to English. The policy may address when information must be presented orally, in writing, or both in additional languages by the law enforcement agency disclosing the information. The policy may provide for different approaches based on the prevalence of non-English languages in different neighborhoods.

Sec. 3. Minnesota Statutes 2000, section 244.052, subdivision 4a, is amended to read:

Subd. 4a. [LEVEL III OFFENDERS; LOCATION OF RESIDENCE.] (a) When an offender assigned to risk level III is released from confinement or a residential facility to reside in the community or changes residence while on supervised or conditional release, the agency responsible for the offender's supervision shall take into consideration the proximity of the offender's residence to that of other level III offenders and proximity to schools and, to the greatest extent feasible, shall mitigate the concentration of level III offenders and concentration of level III offenders near schools.

(b) If the owner or property manager of a hotel, motel, lodging establishment, or apartment building has an agreement with an agency that arranges or provides shelter for victims of domestic abuse, the owner or property manager may not knowingly rent rooms to both level III offenders and victims of domestic abuse at the same time. If the owner or property manager has an agreement with an agency to provide housing to domestic abuse victims and discovers or is informed that a tenant is a level III offender after signing a lease or otherwise renting to the offender, the owner or property manager may evict the offender.

Sec. 4. Minnesota Statutes 2000, section 609.109, subdivision 7, is amended to read:

Subd. 7. [CONDITIONAL RELEASE OF SEX OFFENDERS.] (a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court sentences a person to prison for a violation of section 609.342, 609.343, 609.344, or 609.345, the court shall provide that after the person has completed the sentence imposed, the commissioner of corrections shall place the person on conditional release. If the person was convicted for a violation of section 609.342, 609.343, 609.344, or 609.345, the person shall be placed on conditional release for five years, minus the time the person served on supervised release. If the person was convicted for a violation of one of those sections ~~a second or subsequent time~~ after a previous sex offense conviction as defined in subdivision 5, or sentenced under subdivision 6 to a mandatory departure, the person shall be placed on conditional release for ten years, minus the time the person served on supervised release.

(b) The conditions of release may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve the remaining portion of the conditional release term in prison. The commissioner shall not dismiss the offender from supervision before the conditional release term expires.

Conditional release under this subdivision is governed by provisions relating to supervised release, except as otherwise provided in this subdivision, section 244.04, subdivision 1, or 244.05.

(c) The commissioner shall pay the cost of treatment of a person released under this subdivision. This section does not require the commissioner to accept or retain an offender in a treatment program.

Sec. 5. Minnesota Statutes 2000, section 609.749, subdivision 1a, is amended to read:

Subd. 1a. [NO PROOF OF SPECIFIC INTENT REQUIRED.] In a prosecution under this section, the state is not required to prove that the actor intended to cause the victim to feel frightened, threatened, oppressed, persecuted, or intimidated, or except as otherwise provided in subdivision 3, paragraph (a), clause (4), or paragraph (b), that the actor intended to cause any other result.

Sec. 6. Minnesota Statutes 2000, section 609.749, subdivision 3, is amended to read:

Subd. 3. [AGGRAVATED VIOLATIONS.] (a) A person who commits any of the following acts is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both:

(1) commits any offense described in subdivision 2 because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin;

(2) commits any offense described in subdivision 2 by falsely impersonating another;

(3) commits any offense described in subdivision 2 and possesses a dangerous weapon at the time of the offense;

(4) harasses another, as defined in subdivision 1, with intent to influence or otherwise tamper with a juror or a judicial proceeding or with intent to retaliate against a judicial officer, as defined in section 609.415, or a prosecutor, defense attorney, or officer of the court, because of that person's performance of official duties in connection with a judicial proceeding; or

(5) commits any offense described in subdivision 2 against a victim under the age of 18, if the actor is more than 36 months older than the victim.

(b) A person who commits any offense described in subdivision 2 against a victim under the age of 18, if the actor is more than 36 months older than the victim, and the act is committed with sexual or aggressive intent, is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Sec. 7. Minnesota Statutes 2001 Supplement, section 609.749, subdivision 4, is amended to read:

Subd. 4. [SECOND OR SUBSEQUENT VIOLATIONS; FELONY.] (a) A person is guilty of a felony who violates any provision of subdivision 2 during the time period between a previous qualified domestic violence-related offense conviction or adjudication of delinquency and the end of the ten years following discharge from sentence or disposition for that offense, and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) A person is guilty of a felony who violates any provision of subdivision 2 during the time period between the first of two or more previous qualified domestic violence-related offense convictions or adjudications of delinquency and the end of ten years following discharge from sentence or disposition for that offense, and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Sec. 8. Minnesota Statutes 2001 Supplement, section 609.749, subdivision 5, is amended to read:

Subd. 5. [PATTERN OF HARASSING CONDUCT.] (a) A person who engages in a pattern of harassing conduct with respect to a single victim or one or more members of a single household which the actor knows or has reason to know would cause the victim under the circumstances to feel terrorized or to fear bodily harm and which does cause this reaction on the part of the victim, is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) For purposes of this subdivision, a "pattern of harassing conduct" means two or more acts within a five-year period that violate or attempt to violate the provisions of any of the following or a similar law of another state, the United States, the District of Columbia, tribal lands, or United States territories:

- (1) this section;
- (2) section 609.713;
- (3) section 609.224;
- (4) section 609.2242;
- (5) section 518B.01, subdivision 14;
- (6) section 609.748, subdivision 6;
- (7) section 609.605, subdivision 1, paragraph (b), clauses (3), (4), and (7);
- (8) section 609.79;
- (9) section 609.795;
- (10) section 609.582;
- (11) section 609.595; ~~or~~
- (12) section 609.765; or
- (13) sections 609.342 to 609.3451.

(c) When acts constituting a violation of this subdivision are committed in two or more counties, the accused may be prosecuted in any county in which one of the acts was committed for all acts constituting the pattern.

Sec. 9. Minnesota Statutes 2000, section 626.556, subdivision 6, is amended to read:

Subd. 6. [FAILURE TO REPORT.] (a) A person mandated by this section to report who knows or has reason to believe that a child is neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, and fails to report is guilty of a misdemeanor.

(b) A person mandated by this section to report who knows or has reason to believe that two or more children not related to the perpetrator have been physically or sexually abused, as defined in subdivision 2, by the same perpetrator within the preceding ten years, and fails to report is guilty of a gross misdemeanor.

(c) A parent, guardian, or caretaker who knows or reasonably should know that the child's health is in serious danger and who fails to report as required by subdivision 2, paragraph (c), is guilty of a gross misdemeanor if the child suffers substantial or great bodily harm because of the lack of medical care. If the child dies because of the lack of medical care, the person is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both. The provision in section 609.378, subdivision 1, paragraph (a), clause (1), providing that a parent, guardian, or caretaker may, in good faith, select and depend on spiritual means or prayer for treatment or care of a child, does not exempt a parent, guardian, or caretaker from the duty to report under this subdivision.

Sec. 10. [REPORT.]

(a) By January 1, 2003, the commissioner of corrections must report to the chairs and ranking minority members of the house and senate committees with jurisdiction over criminal justice policy and finance on the issues outlined in paragraph (b). In developing the report, the commissioner must consult with representatives of local corrections agencies in noncommunity corrections act counties, community corrections act counties, and county probation officer counties. The commissioner may also consult other interested parties.

(b) The commissioner of corrections must report on the following issues involving level III sex offenders:

(1) a detailed explanation of how offenders re-enter the community after being released from prison, specifically focusing on how housing and jobs are found and the role that state and local corrections agents play in helping an offender find housing and jobs, including anecdotal evidence;

(2) the statewide locations and concentrations of the offenders;

(3) the effects of having the offenders living in close proximity to one another, specifically including the effects of offenders living within 1,500 feet of one another, including the effect on offense rates and voluntary relocation of neighborhood residents;

(4) efforts under Minnesota Statutes, section 244.052, subdivision 4a, that have been undertaken by local and state corrections agencies to mitigate the concentration of the offenders, especially with regard to the proximity of the offenders to schools;

(5) the likely effects of a policy requiring that offenders live a certain distance from schools;

(6) the likely effects of a policy requiring that offenders not live within a certain distance of each other;

(7) the restricted zones that would result in the cities of Minneapolis and St. Paul if a 1,500 foot proximity restriction was adopted in relation to schools, parks, and other offenders, with detailed maps; and

(8) policies adopted by other states relating to mitigating the concentration of sex offenders.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 3 are effective August 1, 2002, and apply to offenders released from confinement or residential facilities on or after that date and to changes of residence by offenders on or after that date. Sections 4 to 9 are effective August 1, 2002, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; requiring a ten-year conditional release period when a person has a previous sex offense conviction regardless of the state in which it occurred; making it a ten-year felony when a person commits certain prohibited acts when the act is committed with sexual or aggressive intent; defining aggravated harassing conduct to include acts of criminal sexual conduct as predicate offenses for a pattern of harassing conduct; modifying notice requirements when moving for persons registered as predatory offenders; placing conditions and limitations on level III predatory offender locations of residence; clarifying predatory offender agency notification requirements; providing penalties for failure to report certain child abuse; requiring a report; prescribing penalties; amending Minnesota Statutes 2000, sections 244.052, subdivisions 1, 4, 4a; 609.109, subdivision 7; 609.749, subdivisions 1a, 3; 626.556, subdivision 6; Minnesota Statutes 2001 Supplement, section 609.749, subdivisions 4, 5."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) David L. Knutson, Thomas M. Neville, Jane B. Ranum

House Conferees: (Signed) John Tuma, Dave Bishop, Karen Clark

Senator Knutson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 3172 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 3172 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Higgins	Lesewski	Ourada	Sams
Belanger	Hottinger	Lessard	Pappas	Schwab
Berg	Johnson, Dean	Limmer	Pariseau	Solon, Y.P.
Berglin	Johnson, Debbie	Lourey	Price	Stevens
Betzold	Kelley, S.P.	Marty	Ranum	Stumpf
Cohen	Kierlin	Metzen	Reiter	Tomassoni
Day	Kleis	Moua	Rest	Vickerman
Fischbach	Knutson	Murphy	Ring	Wiener
Foley	Krentz	Neuville	Robertson	Wiger
Fowler	Langseth	Oliver	Robling	
Frederickson	Larson	Olson	Sabo	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2486 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2486

A bill for an act relating to health; modifying requirements for certain major spending commitments; amending Minnesota Statutes 2000, section 62J.17, subdivision 8.

May 14, 2002

The Honorable Don Samuelson
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2486, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2486 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [RADIATION THERAPY FACILITIES.]

If a major spending commitment, as defined under Minnesota Statutes, section 62J.17, subdivision 2, would result in the construction of a new radiation therapy facility within ten miles of an existing radiation therapy facility, then the provider incurring, or proposing to incur, the major spending commitment is subject to the procedures of prospective review and approval under Minnesota Statutes, section 62J.17, subdivision 6a. The provider shall be financially responsible

for the cost of the prospective review and approval process. For purposes of this section, "provider" has the meaning specified in Minnesota Statutes, section 62J.17, subdivision 8. The provisions of this section do not apply to radiation therapy facilities owned and operated or managed by a hospital licensed under Minnesota Statutes, chapter 144. This section expires March 1, 2003.

Sec. 2. [REPORT BY TASK FORCE.]

The joint task force on health care costs and quality shall review prospective review and approval under Minnesota Statutes, section 62J.17, subdivision 6a, for a health care provider making a major spending commitment as defined in Minnesota Statutes, section 62J.17, and shall report to the legislature by December 15, 2002, on whether the provisions will reduce health care costs and/or improve health care quality."

Delete the title and insert:

"A bill for an act relating to health; providing requirements for certain major spending commitments; requiring a report."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Don Samuelson, Linda Berglin, Michelle L. Fischbach

House Conferees: (Signed) Kevin Goodno, Fran Bradley, Thomas Huntley

Senator Samuelson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2486 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2486 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 1, as follows:

Those who voted in the affirmative were:

Bachmann	Higgins	Lourey	Price	Solon, Y.P.
Belanger	Hottinger	Marty	Ranum	Stevens
Berg	Johnson, Dean	Metzen	Reiter	Stumpf
Berglin	Johnson, Debbie	Moua	Rest	Terwilliger
Betzold	Kelley, S.P.	Murphy	Ring	Tomassoni
Chaudhary	Kleis	Neuville	Robertson	Vickerman
Cohen	Knutson	Oliver	Robling	Wiener
Day	Krentz	Olson	Sabo	Wiger
Fischbach	Langseth	Ourada	Sams	
Foley	Larson	Pappas	Samuelson	
Fowler	Lesewski	Pariseau	Scheid	
Frederickson	Lessard	Pogemiller	Schwab	

Those who voted in the negative were:

Limmer

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2572 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2572

A bill for an act relating to local government; authorizing the establishment of a specific nonprofit corporation in development region nine for certain specified purposes.

May 15, 2002

The Honorable Don Samuelson
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2572, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2572 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 117.075, is amended to read:

117.075 [COURT TO APPOINT COMMISSIONERS.]

Upon proof being filed of the service of such notice, the court, at the time and place therein fixed or to which the hearing may be adjourned, shall hear all competent evidence offered for or against the granting of the petition, regulating the order of proof as it may deem best. If the proposed taking shall appear to be necessary and such as is authorized by law, the court by an order shall appoint three disinterested commissioners, and at least two alternates, residents of the county, to ascertain and report the amount of damages that will be sustained by the several owners on account of such taking.

Before appointing a commissioner, the court shall inquire whether each prospective commissioner has any relationship, business or otherwise, to any of the parties in the proceeding, or any interest in the proceeding which may constitute a conflict of interest, or which may create the appearance of impropriety should that person be appointed. Responses to this inquiry must be either written or on the record and made available by the court to any party in the proceeding before and after appointment. No person who might have difficulty in rendering an unbiased decision may be appointed to serve. The court, in its discretion, may appoint one registered, practicing attorney to the commission who is knowledgeable in eminent domain matters. All other commissioners appointed must be persons actively engaged in the occupation of real estate sales or real estate appraising or persons knowledgeable in real estate values. The order shall fix the time and place of the first meeting of the three commissioners and prescribe their compensation. At the first meeting at the office of the court administrator of district court the appointees must be sworn by the court administrator or an authorized deputy and shall take and sign the following oath before assuming their duties as commissioners:

(TITLE OF PROCEEDING)

..... does swear under penalty of perjury as follows:

I will faithfully and justly perform to the best of my ability, all the duties of the office and trust which I now assume as commissioner in the above entitled proceeding. I further swear that, except as disclosed in writing or on the record, I have no interest in any of the lands in the above proceeding or any present or past relationship, business or personal, with any of the parties to the above proceeding or any other actual or potential conflict of interest, and that I will render fair and impartial decisions, so help me God.

The order may, in the discretion of the court, limit the title or easement to be acquired by the petitioner by defining the rights and privileges which the owner of any of the lands may exercise therein in subordination to the public uses to which it is appropriated. In case any commissioner

fails to act or fails to meet the qualifications required by this section, the court without further notice may appoint another in that commissioner's place.

The court administrator of court in each county shall post in the courthouse in a prominent place a notice that a qualified person may apply to have the person's name placed upon a list of potential commission appointees for eminent domain proceedings. The notice must contain the language of the oath which the commissioners are required to take upon appointment and shall list the other qualifications set forth in this section. The court shall give due consideration to the names appearing on the list, but is not bound to make appointments from the list.

Sec. 2. Minnesota Statutes 2001 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.

(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 proposes to collect for taxes payable the following year. In the case of a town, or in the case of the state determined portion of the school district levy, the final tax amount will be its proposed tax. In the case of taxing authorities required to hold a public meeting under subdivision 6, the notice 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, a telephone number for the taxing authority that taxpayers may call if they have questions related to the notice, 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 as each appears in the records of the county assessor on November 1 of 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) the items listed below, shown separately by county, city or town, state determined school tax net of the education homestead credit under section 273.1382, voter approved school levy, other local school levy, and the sum of the special taxing districts, and as a total of all taxing authorities:

(i) the actual tax for taxes payable in the current year;

(ii) the tax change due to spending factors, defined as the proposed tax minus the constant spending tax amount;

(iii) the tax change due to other factors, defined as the constant spending tax amount minus the actual current year tax; and

(iv) the proposed tax amount.

In the case of a town or the state determined school tax, the final tax shall also be its proposed tax unless the town changes its levy at a special town meeting under section 365.52. If a school district has certified under section 126C.17, subdivision 9, that a referendum will be held in the school district at the November general election, the county auditor must note next to the school

district's proposed amount that a referendum is pending and that, if approved by the voters, the tax amount may be higher than shown on the notice. 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 the city of St. Paul, the levy for the St. Paul library agency must 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 under chapter 276A or 473F 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 between the total taxes payable in the current year and the total proposed taxes, expressed as a percentage.

For purposes of this section, the amount of the tax on homesteads qualifying under the senior citizens' property tax deferral program under chapter 290B is the total amount of property tax before subtraction of the deferred property tax amount.

(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 satisfactory documentation is provided to the county assessor by the applicable deadline, and the property qualifies for the homestead classification in that assessment 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.

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.

(j) If a statutory or home rule charter city or a town has exercised the local levy option provided by section 473.388, subdivision 7, it may include in the notice of its proposed taxes the amount of its proposed taxes attributable to its exercise of the option. In the first year of the city or town's exercise of this option, the statement shall include an estimate of the reduction of the metropolitan council's tax on the parcel due to exercise of that option. The metropolitan council's levy shall be adjusted accordingly.

[EFFECTIVE DATE.] This section is effective for notices prepared after the day following final enactment.

Sec. 3. Minnesota Statutes 2000, section 383A.80, subdivision 4, is amended to read:

Subd. 4. [EXPIRATION.] The authority to impose the tax under this section expires January 1, 2003 2008.

Sec. 4. Minnesota Statutes 2000, section 383B.80, subdivision 4, is amended to read:

Subd. 4. [EXPIRATION.] The authority to impose the tax under this section expires January 1, 2003 2008.

Sec. 5. Minnesota Statutes 2000, section 465.73, is amended to read:

465.73 [TOWN HALLS; FIRE HALLS OR RESCUE EQUIPMENT; LOANS TO POLITICAL SUBDIVISIONS FUNDED OR SECURED UNDER UNITED STATES AGRICULTURE DEPARTMENT PROGRAMS.]

For purposes of constructing, repairing, or acquiring city halls, town halls, fire halls or fire or rescue equipment ~~any~~, or libraries or child care facilities if otherwise authorized by law, a city, county, or town may borrow ~~up to \$250,000~~ not to exceed \$450,000 from ~~(i) funds granted to a rural electric cooperative organized under chapter 308A by, the United States Department of Agriculture Rural Business-Cooperative Service or (ii) directly from or in the form of funds guaranteed by the Farmers Home Administration Rural Housing Service or other agency of the United States Department of Agriculture on by a note secured by a mortgage or other security agreement on the property purchased with the borrowed funds. The city, county, or town may pledge its full faith and credit and assign or pledge the revenues, if any, from the town halls, fire or rescue department, or fire hall or facilities or equipment so financed together with any other properly available funds, including taxes levied pursuant to section 475.61 to the Farmers Home Administration or other agency of the United States Department of Agriculture or its guaranteed lender or a rural electric cooperative organized under chapter 308A as its grantee to repay to secure the loan. The amount of the obligation shall not be obligation of the note is not to be included when computing the net debt of the city, county, or town. An election shall not be required to authorize the note and mortgage or assignment of revenues, nor is the approval of the voters required for the issuance of the note.~~

Sec. 6. Minnesota Statutes 2000, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

- (1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have

perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes Prior to adoption of a resolution authorizing acquisition of property by condemnation, the governing body of the authority must hold a public hearing on the proposed acquisition after published notice in a newspaper of general circulation in the municipality, which must be made at least one time not less than ten days nor more than 30 days prior to the date of the hearing. The notice must reasonably describe the property to be acquired and state that the purpose of the hearing is to consider acquisition by exercise of the authority's powers of eminent domain. Not less than ten days before the hearing, notice of the hearing must also be mailed to the owner of each parcel proposed to be acquired, but failure to give mailed notice or any defects in the notice does not invalidate the acquisition. For the purpose of giving mailed notice, owners are determined in accordance with section 429.031, subdivision 1, paragraph (a). Property acquired by condemnation under this section may include any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the

methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains, or has contained within the three years immediately preceding the exercise of the power of eminent domain and is currently vacant, buildings and improvements which are vacated and substandard. Notwithstanding the prior sentence, in cities of the first class the exercise of the power of eminent domain under this clause shall be limited to real property which contains, or has contained within the three years immediately preceding the exercise of the power of eminent domain, buildings and improvements which are substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community. The exercise of the power of eminent domain under this clause is subject to the notice and hearing requirements described in clause (6);

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the Department of Housing and Urban Development or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make an agreement with the governing body or bodies creating the authority which provides exemption from all ad valorem real and personal property taxes levied or imposed by the body or bodies creating the authority. In the case of low-rent public housing that received financial assistance under the United States Housing Act of 1937, or successor federal legislation, an authority may make an agreement with the governing body or bodies creating the authority to provide exemption from all real and personal property taxes levied or imposed by the state, city, county, or other political subdivision, for which the authority shall make payments in lieu of taxes to the state, city, county, or other political subdivisions as provided in section 469.040. The governing body shall agree on behalf of all the applicable governing bodies affected that local cooperation as required by the federal government shall be provided by the local governing body or bodies in whose jurisdiction the project is to be located, at no cost or at no greater cost than the same public services and facilities furnished to other residents;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any

conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section 118A.04 for the deposit and investment of public funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low- or moderate-income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5);

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual;

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, interest reduction payments, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing;

(31) to apply for, enter into contracts with the federal government, administer, and carry out a section 8 program. Authorization by the governing body creating the authority to administer the program at the authority's initial application is sufficient to authorize operation of the program in its area of operation for which it was created without additional local governing body approval. Approval by the governing body or bodies creating the authority constitutes approval of a housing program for purposes of any special or general law requiring local approval of section 8 programs undertaken by city, county, or multicounty authorities; and

(32) to secure a mortgage or loan for a rental housing project by obtaining the appointment of receivers or assignments of rents and profits under sections 559.17 and 576.01, except that the limitation relating to the minimum amounts of the original principal balances of mortgages specified in sections 559.17, subdivision 2, clause (2); and 576.01, subdivision 2, does not apply.

Sec. 7. Minnesota Statutes 2000, section 469.034, subdivision 2, is amended to read:

Subd. 2. [GENERAL OBLIGATION REVENUE BONDS.] (a) An authority may pledge the general obligation of the general jurisdiction governmental unit as additional security for bonds payable from income or revenues of the project or the authority. The authority must find that the pledged revenues will equal or exceed 110 percent of the principal and interest due on the bonds for each year. The proceeds of the bonds must be used for a qualified housing development project or projects. The obligations must be issued and sold in the manner and following the procedures provided by chapter 475, except the obligations are not subject to approval by the electors and the maturities may extend to not more than 30 years from the estimated date of completion of the project. The authority is the municipality for purposes of chapter 475.

(b) The principal amount of the issue must be approved by the governing body of the general jurisdiction governmental unit whose general obligation is pledged. Public hearings must be held on issuance of the obligations by both the authority and the general jurisdiction governmental unit. The hearings must be held at least 15 days, but not more than 120 days, before the sale of the obligations.

(c) The maximum amount of general obligation bonds that may be issued and outstanding under this section equals the greater of (1) one-half of one percent of the taxable market value of the general jurisdiction governmental unit whose general obligation which includes a tax on property is pledged, or (2) \$3,000,000. In the case of county or multicounty general obligation bonds, the outstanding general obligation bonds of all cities in the county or counties issued under this subdivision must be added in calculating the limit under clause (1).

(d) "General jurisdiction governmental unit" means the city in which the housing development

project is located. In the case of a county or multicounty authority, the county or counties may act as the general jurisdiction governmental unit. In the case of a multicounty authority, the pledge of the general obligation is a pledge of a tax on the taxable property in each of the counties.

(e) "Qualified housing development project" means a housing development project providing housing either for the elderly or for individuals and families with incomes not greater than 80 percent of the median family income as estimated by the United States Department of Housing and Urban Development for the standard metropolitan statistical area or the nonmetropolitan county in which the project is located, and will be owned by the authority for the term of the bonds. A qualified housing development project may admit nonelderly individuals and families with higher incomes if:

(1) three years have passed since initial occupancy;

(2) the authority finds the project is experiencing unanticipated vacancies resulting in insufficient revenues, because of changes in population or other unforeseen circumstances that occurred after the initial finding of adequate revenues; and

(3) the authority finds a tax levy or payment from general assets of the general jurisdiction governmental unit will be necessary to pay debt service on the bonds if higher income individuals or families are not admitted.

Sec. 8. Minnesota Statutes 2000, section 469.102, subdivision 2, is amended to read:

Subd. 2. [DETAIL; MATURITY.] The authority with the consent of its city's council shall set the date, denominations, place of payment, form, and details of the bonds. The bonds must mature serially. The first installment is due in not more than three years and the last in not more than 20 30 years from the date of issuance.

Sec. 9. Minnesota Statutes 2000, section 469.153, is amended by adding a subdivision to read:

Subd. 13. [RELATED PUBLIC IMPROVEMENTS.] "Related public improvements" means any public improvements described in section 429.021, that are acquired and constructed in connection with the project and are financed by the contracting party under the revenue agreement.

Sec. 10. Minnesota Statutes 2000, section 469.155, subdivision 3, is amended to read:

Subd. 3. [REVENUE BONDS.] (a) It may issue revenue bonds, in anticipation of the collection of revenues of a project to be situated within the state, to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension thereof and of any related public improvements.

(b) It may issue revenue bonds to purchase the obligations of local government units located in whole or in part within the boundaries of the municipality. The proceeds of bonds issued to purchase obligations as provided under this paragraph may be disbursed or otherwise used to pay underwriter's or placement fees, expenses, or other costs of issuance and sale for the bonds only on a pro rata basis determined with respect to the portion of the proceeds that are used to purchase the obligations. The municipality may not pay the underwriter's or placement fees, expenses, or other costs of issuance and sale out of other money.

Sec. 11. Minnesota Statutes 2000, section 469.155, subdivision 4, is amended to read:

Subd. 4. [REFINANCING NONPROFIT FACILITIES.] It may issue revenue bonds to pay, purchase, or discharge all or any part of the outstanding indebtedness of a contracting party that is ~~an a qualifying organization described in section 501(c)(3) of the Internal Revenue Code primarily engaged in health care-related activities or in activities for mentally or physically disabled persons or that is engaged primarily in the operation of one or more nonprofit hospitals or nursing homes~~ previously incurred in the acquisition or betterment of its existing facilities to the extent deemed necessary by the governing body of the municipality or redevelopment agency; this may include any unpaid interest on the indebtedness accrued or to accrue to the date on which the indebtedness

is finally paid, and any premium the governing body of the municipality or redevelopment agency determines to be necessary to be paid to pay, purchase, or defease the outstanding indebtedness. If revenue bonds are issued for this purpose, the refinancing and the existing properties of the contracting party shall be deemed to constitute a project under section 469.153, subdivision 2, clause (b), (c), or (d).

For purposes of this subdivision, "qualifying organization" means an organization that is primarily engaged in one or more of the following:

- (1) health care related activities;
- (2) activities for mentally or physically disabled persons;
- (3) the operation of one or more nonprofit hospitals or nursing homes;
- (4) educational activities as an elementary, secondary, or post-secondary school;
- (5) presentation of artistic performances or arts education, such as theaters and museums; or
- (6) providing social services, such as providing assistance to the poor, distressed, or underprivileged.

Sec. 12. Minnesota Statutes 2000, section 469.155, subdivision 8, is amended to read:

Subd. 8. [IMPLEMENTATION OF POWERS AND COVENANTS; CONSTRUCTION AND ACQUISITION BY CONTRACTING PARTY.] It may make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of the powers granted in sections 469.152 to 469.165, or in the performance of its covenants or duties, or in order to secure the payment of its bonds. It may enter into a revenue agreement authorizing the contracting party, subject to any terms and conditions the municipality or redevelopment agency finds necessary or desirable and proper, to provide for the construction, acquisition, and installation of the buildings, improvements, and equipment to be included in the project and any related public improvements by any means legally available to the contracting party and in the manner determined by the contracting party and without advertisement for bids unless advertisement by the contracting party is otherwise required by law.

Sec. 13. Minnesota Statutes 2000, section 469.157, is amended to read:

469.157 [DETERMINATION OF COST OF PROJECT.]

In determining the cost of a project, the governing body may include all cost and estimated cost of the acquisition, construction, reconstruction, improvement, betterment, and extension of the project and any related public improvements, all engineering, inspection, fiscal, legal, administrative, and printing expense, the interest which it is estimated will accrue during the construction period and for six months thereafter on money borrowed or which it is estimated will be borrowed pursuant to sections 469.152 to 469.165, and bond reserves and premiums for insurance of lease rentals pledged to pay the bonds.

Sec. 14. [471.656] [LIMITS ON BOND ISSUANCE FOR EXTRATERRITORIAL PROJECTS.]

Subdivision 1. [GENERAL RULE.] Notwithstanding any law to the contrary, neither a municipality nor an authority may issue obligations to finance the acquisition or improvement of real property located outside of the corporate boundaries of the issuer.

Subd. 2. [EXEMPTIONS.] Subdivision 1 does not apply if:

- (1) the issuing governmental unit is the owner of the property to be financed; or
- (2) for property or two or more properties constituting a single project located in a city, the governing body of the city consents, by resolution, to issuance of the obligations; or

(3) for property or two or more properties constituting a single project located outside of a city or in two or more cities or towns, the governing body of the county in which the property is located consents, by resolution, to issuance of the obligations; or

(4) the obligations are issued under a joint powers agreement, whether issued by a joint powers board or by one or more of the parties to the joint powers agreement, and the property is located entirely within the boundaries of one or more of the parties to the joint powers agreement; or

(5) the issuer is a municipality or municipalities acting under a joint powers agreement and the financing is for the acquisition or improvement of property, facilities, or rights of use or access thereto which are necessary or useful in the operation of municipal public utilities; or

(6) the issuer is a municipal power agency established under chapter 453 or a municipal gas agency established under chapter 453A.

Subd. 3. [DEFINITIONS.] (a) The definitions in section 475.51 apply to this section and the following terms have the meanings given in this subdivision.

(b) "Authority" means, whether created under general or special law:

(1) a housing and redevelopment authority;

(2) an economic development authority;

(3) a port authority;

(4) a rural development financing authority; or

(5) other similar local government entities that are authorized by law to issue obligations.

(c) "Municipal public utilities" means the provision by a municipality of electricity, natural gas, water, waste water removal and treatment, telecommunications, district heating, or cable television and related services.

(d) "Owner of the property" means the entity or entities that are the fee or equitable owners and that are economically at risk with regard to the property.

(e) "Real property" includes an easement and improvements made to a leasehold of real property.

[EFFECTIVE DATE.] This section is effective for obligations issued or sold after June 30, 2002.

Sec. 15. Minnesota Statutes 2000, section 473.252, subdivision 3, is amended to read:

Subd. 3. [DISTRIBUTION OF FUNDS.] (a) The council must use the funds in the account to make grants to municipalities or development authorities for the cleanup of polluted land in the metropolitan area. A grant to a metropolitan county or a development authority must be used for a project in a participating municipality. The council shall prescribe and provide the grant application form to municipalities. The council must consider the probability of funding from other sources when making grants under this section.

(b)(1) The legislature expects that applications for grants will exceed the available funds and the council will be able to provide grants to only some of the applicant municipalities. If applications for grants for qualified sites exceed the available funds, the council shall make grants that provide the highest return in public benefits for the public costs incurred, that encourage ~~commercial and industrial~~ development that will lead to the preservation or growth of living-wage jobs or the production of affordable housing, and that enhance the tax base of the recipient municipality.

(2) In making grants, the council shall establish regular application deadlines in which grants will be awarded from the available money in the account. If the council provides for application

cycles of less than six-month intervals, the council must reserve at least 40 percent of the receipts of the account for a year for application deadlines that occur in the second half of the year. If the applications for grants exceed the available funds for an application cycle, no more than one-half of the funds may be granted to projects in a statutory or home rule charter city and no more than three-quarters of the funds may be granted to projects located in cities of the first class.

(c) A municipality may use the grant to provide a portion of the local match requirement for project costs that qualify for a grant under sections 116J.551 to 116J.557.

Sec. 16. Minnesota Statutes 2000, section 473.39, is amended by adding a subdivision to read:

Subd. 1i. [OBLIGATIONS.] After July 1, 2002, in addition to the authority in subdivisions 1a, 1b, 1c, 1d, 1e, 1g, and 1h, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$54,000,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations, but not for computer software, or for construction, maintenance, or operation of light rail transit or commuter rail.

Sec. 17. [APPLICATION.]

Sections 15 and 16 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 18. Minnesota Statutes 2000, section 475.58, is amended by adding a subdivision to read:

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

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

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

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

Sec. 19. Minnesota Statutes 2000, section 641.23, is amended to read:

641.23 [FUNDS, HOW PROVIDED.]

Before any contract is made for the erection of a county jail, sheriff's residence, or both, the county board shall either levy a sufficient tax to provide the necessary funds, or issue county bonds therefor in accordance with the provisions of chapter 475, provided that, unless the issuance of the bonds is approved by the majority of voters voting on the question of their issuance, no election is required if the amount of all bonds issued for this purpose and interest on them which are due and payable in any year shall does not exceed an amount equal to 0.09671 percent of market value of taxable property within the county, as last determined before the bonds are issued.

Sec. 20. Laws 1965, chapter 326, section 1, subdivision 5, as amended by Laws 1975, chapter 110, section 1, Laws 1985, chapter 87, section 3, and Laws 1998, chapter 389, article 11, section 11, is amended to read:

Subd. 5. [PROMOTION OF TOURIST, AGRICULTURAL AND INDUSTRIAL DEVELOPMENT.] Promotion of tourist, agricultural and industrial development. The amount to be spent annually for the purposes of this subdivision shall not exceed \$4 ~~\$10~~ per capita of the county's population.

Sec. 21. Laws 1967, chapter 170, section 1, subdivision 5, as amended by Laws 1985, chapter 87, section 6, and Laws 1998, chapter 389, article 11, section 12, is amended to read:

Subd. 5. Promotion of tourist, agricultural and industrial developments. The amount to be spent annually for the purposes of this subdivision shall not exceed \$4 ~~\$10~~ per capita of the county's population.

Sec. 22. [SOUTHWEST REGIONAL DEVELOPMENT COMMISSION; LEVY; DEBT.]

(a) In addition to other levies authorized by law, the Southwest Regional Development Commission may levy in each year through 2010, for taxes payable through 2011, an additional amount sufficient to retire its remaining debt in connection with the Prairie Expo project located in Worthington not to exceed \$232,080 annually.

(b) The commission may issue bonds or other obligations under Minnesota Statutes, chapter 475, in an aggregate principal amount not to exceed \$1,632,224, to retire the debt sooner. In that case the levy authorized in paragraph (a) may be used for debt service on the bonds or other obligations, issued to retire the debt.

[EFFECTIVE DATE; LOCAL APPROVAL.] (a) This section is only effective as to all affected government bodies on the day after the last act of compliance under paragraphs (b) and (c) is timely completed.

(b) The governing body of the Southwest Regional Development Commission and its chief clerical officer have timely completed their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

(c) The governing body of each county in the development region and its chief clerical officer have timely completed their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 23. Laws 1971, chapter 773, section 1, subdivision 2, as amended by Laws 1974, chapter 351, section 5, Laws 1976, chapter 234, sections 1 and 7, Laws 1978, chapter 788, section 1, Laws 1981, chapter 369, section 1, Laws 1983, chapter 302, section 1, Laws 1988, chapter 513, section 1, Laws 1992, chapter 511, article 9, section 23, and Laws 1998, chapter 389, article 3, section 27, is amended to read:

Subd. 2. For each of the years through 2003 to 2013, the city of St. Paul is authorized to issue bonds in the aggregate principal amount of ~~\$15,000,000~~ \$20,000,000 for each year; ~~or in an amount equal to one-fourth of one percent of the assessors estimated market value of taxable property in St. Paul, whichever is greater, provided that no more than \$15,000,000 of bonds is authorized to be issued in any year, unless St. Paul's local general obligation debt as defined in this section is less than six percent of market value calculated as of December 31 of the preceding year; but at no time shall the aggregate principal amount of bonds authorized exceed \$18,000,000 in 1998, \$18,000,000 in 1999, \$19,000,000 in 2000, \$19,000,000 in 2001, \$19,500,000 in 2002, and \$20,000,000 in 2003.~~

Sec. 24. Laws 1989, chapter 211, section 8, as amended by Laws 1992, chapter 505, section 3, is amended to read:

Sec. 8. [COOK COUNTY; HOSPITAL DISTRICT.]

Subdivision 1. [CREATION; REFERENDUM.] The board of commissioners of Cook county may by resolution create a Cook county hospital district. The resolution providing for creation of the district must be published in the official newspaper of the county. If within ten days after the publication a petition is filed with the county board that is signed by qualified voters of the county

at least equal in number to ten percent of the number of voters voting at the most recent election of county commissioners, requesting a referendum on the resolution, it shall not be effective until it is approved by a majority of qualified voters voting on the question at a special or general election.

Subd. 2. [OPERATION OF DISTRICT.] A hospital district created under this section shall be subject to Minnesota Statutes, sections ~~397.06 to 397.102~~ 447.32, except subdivision 1, to 447.41, and except as provided otherwise in this act.

Subd. 3. [BOARD.] Notwithstanding Minnesota Statutes, section ~~397.06~~ 447.32, the board of the district shall be comprised of one member from each county commissioner district elected by the voters at the first general election in the county after the resolution has become effective. At the 1992 general election, the board members from districts one, three, and five shall be elected to two-year terms and board members from districts two and four to four-year terms. Their successors shall be elected to regular four-year terms in 1994, 1996, and thereafter. Terms shall begin on the first day of January following the election.

If members are elected in 1990, their terms shall be two years. When the district is first created, the county commissioner from each district shall appoint a member of the board to serve until the commencement of the term of a successor.

When a vacancy occurs, the ~~county commissioner from the district affected~~ majority of the remaining members of the board of the hospital district shall appoint a member to serve until January 1 following the next general election in the county, ~~when at which a successor shall be elected for a full regular term if the full regular term of the seat that had the vacancy is expiring on that January 1 or otherwise, for the unexpired remainder of the regular that seat's term.~~

Subd. 4. [TAX LEVY.] The tax levied under Minnesota Statutes, section ~~397.09~~ 447.34, shall not exceed \$300,000 in any year, and its proceeds may be used for all purposes of the hospital district.

Subd. 5. [TERRITORY.] The territory of the entire county of Cook is the hospital district.

Subd. 6. [REFERENCES.] The county acts in the place of cities and towns for purposes of Minnesota Statutes, sections 447.32, except subdivision 1, to 447.41; and all references made to hospital districts in Minnesota Statutes, sections 447.32, except subdivision 1, to 447.41, apply to the Cook county hospital district.

Subd. 7. [APPLICATION.] Minnesota Statutes, section 447.38, subdivision 2, does not apply to the hospital district created under this section.

[EFFECTIVE DATE.] For purposes of Minnesota Statutes, section 645.021, subdivisions 2 and 3, Cook county and the Cook county hospital district are the local governmental units affected. This section is effective the day after the latter of the governing bodies of:

- (1) Cook county and its chief clerical officer; and
- (2) the Cook county hospital district and its chief clerical officer;

timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 25. [SOUTH ST. PAUL; SINGLE-FAMILY HOUSING.]

Due to the shortage of single-family housing in the city of South St. Paul, the legislature finds and declares that it is a public purpose for the city to facilitate the construction of single-family homes to the greatest extent possible. The city of South St. Paul may convey to a private person, firm, partnership, corporation, or other entity a parcel of real estate acquired from the Minnesota department of transportation by quit claim deed, that parcel described as: "That part of the Southwest Quarter of the Northwest Quarter of Section 28, Township 28 North, Range 22 West, Dakota County, Minnesota, described as follows:

Beginning at the West Quarter corner of said Section 28; thence East on the East and West Quarter line of said Section 28 a distance of 570 feet; thence run Northwesterly to a point on the

East line of the West 221.5 feet of said Southwest Quarter of the Northwest Quarter, distant 280 feet North of its intersection with the East and West Quarter line of said Section 28; thence run Northwesterly to a point on the West line of said Section 28, distant 375 feet North of the West Quarter corner thereof; thence run South on said West section line 375 feet to the point of beginning."

The legislature declares that the conveyance to a private person, firm, partnership, corporation, or other entity for the construction of single-family residential dwellings is a public purpose.

[EFFECTIVE DATE.] This section is effective without local approval on the day following its final enactment.

Sec. 26. [REGION NINE DEVELOPMENT COMMISSION; NONPROFIT CORPORATION ESTABLISHED.]

Subdivision 1. [AUTHORIZATION.] The region nine development commission may incorporate and authorize the incorporation of a nonprofit corporation to reduce dependence on tax dollars in filling regional service gaps and funding rural programs by improving the region's access to other funding sources.

Subd. 2. [BOARD OF DIRECTORS.] The corporation must be governed by a board of nine directors. The directors must be named by the region nine development commission. No more than five of the directors may be persons currently serving on the region nine development commission. Board members must not be compensated for their services but may be reimbursed for reasonable expenses incurred in connection with their duties as board members.

Subd. 3. [ARTICLES AND BYLAWS.] The entity must be incorporated under Minnesota Statutes, chapter 317A, and otherwise must comply with Minnesota Statutes, chapter 317A, except to the extent Minnesota Statutes, chapter 317A, is inconsistent with this section.

Subd. 4. [EMPLOYEES.] Persons employed by the nonprofit corporation are not public employees and must not participate in retirement, deferred compensation, insurance, or other plans that apply to public employees generally.

Subd. 5. [CONTRACTING.] The region nine development commission may enter into management contracts or lease agreements, or both, with a nonprofit corporation that is established according to this act.

Subd. 6. [STATUTORY COMPLIANCE.] (a) Minnesota Statutes, section 16A.695, applies to a management contract or lease agreement entered into by the region nine development commission and a nonprofit corporation established according to this act.

(b) The nonprofit corporation must comply with Minnesota Statutes, section 465.719, subdivisions 9, 10, 11, 12, 13, and 14.

Sec. 27. [ANOKA COUNTY DEBT AUTHORITY.]

Subdivision 1. [AUTHORITY TO INCUR DEBT.] (a) To finance the cost of designing, constructing, and acquiring public safety communication system infrastructure and equipment, the governing body of Anoka county may issue:

(1) capital improvement bonds under the provisions of Minnesota Statutes, section 373.40, as if the infrastructure and equipment qualified as a "capital improvement" within the meaning of Minnesota Statutes, section 373.40, subdivision 1, paragraph (b); and

(2) capital notes under the provisions of Minnesota Statutes, section 373.01, subdivision 3, as if the equipment qualified as "capital equipment" within the meaning of section 373.01, subdivision 3.

(b) The original principal amount of the bonds and the capital notes issued under this section may not exceed \$12,500,000.

Subd. 2. [TREATMENT OF LEVY.] Notwithstanding Minnesota Statutes, sections 275.065, subdivision 3, and 276.04, the county may report the tax attributable to any levy to pay principal and interest on bonds or notes issued under this section as a separate line item on the proposed property tax notice and the property tax statement.

Subd. 3. [EXPIRATION.] This section expires ten years after the first year in which the county issues a note or bond under this section. The county may not issue a bond or note under this section with a maturity or payment date after the expiration date of this section. No property tax may be levied under this section for taxes payable in a calendar year after the calendar year in which this section expires. Expiration of this section does not affect the obligation to pay or the authority to collect taxes levied under this section before its expiration.

[EFFECTIVE DATE.] This section is effective without local approval the day following its final enactment.

Sec. 28. [LEGISLATIVE PURPOSE AND POLICY.]

The legislature determines that in the area in and around the city of Alexandria, there are economic development issues that can be more effectively dealt with by a single entity on a coordinated basis rather than by multiple existing government units. The legislature, therefore, declares that for a coordinated approach to economic development in the area, it is necessary to establish for the area an economic development authority with the responsibility of exercising the powers of an economic development authority in order to advance the economic vitality of the area.

Sec. 29. [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] For the purposes of sections 28 to 35, the terms defined in this section have the following meanings.

Subd. 2. [LAKES AREA ECONOMIC DEVELOPMENT AUTHORITY.] "Lakes area economic development authority" or "authority" means the lakes area economic authority established as provided in section 30.

Subd. 3. [PERSON.] "Person" means an individual, partnership, corporation, cooperative, or other organization or entity, public or private.

Subd. 4. [MEMBER.] "Member" means the city of Alexandria or the townships of Alexandria, Carlos, or La Grand, or any other municipality, the geographic area of which is included within the jurisdiction of the authority.

Subd. 5. [MUNICIPALITY.] "Municipality" means a statutory or home rule charter city or town located in Douglas county.

Sec. 30. [LAKES AREA ECONOMIC DEVELOPMENT AUTHORITY.]

Subdivision 1. [ESTABLISHMENT.] A lakes area economic development authority with jurisdiction over the geographic area of its members is established as a public corporation and political subdivision of the state with perpetual succession and all the rights, powers, privileges, immunities, and duties that may be validly granted to or imposed upon a municipal corporation, as provided in sections 28 to 35.

Subd. 2. [BOARD OF COMMISSIONERS.] The authority is governed by a board of commissioners to be selected as follows: the mayor of each member city, and the chair of the town board of each member town shall appoint one commissioner, subject to the approval of the respective city council or town board. The terms of the commissioner are as provided in subdivision 5.

Subd. 3. [TIME LIMITS FOR SELECTION, ALTERNATIVE APPOINTMENT BY DISTRICT JUDGE.] The initial appointment of commissioners must be made no later than 60 days after sections 28 to 35 become effective. Subsequent appointments must be made within 60

days before the expiration of a term in the same manner as the predecessor was selected. A vacancy on the board must be filled within 60 days after it occurs. If a selection is not made within the prescribed time, the chief judge of the seventh judicial district of the Minnesota district court on application by an interested person shall appoint an eligible person to the board.

Subd. 4. [VACANCIES.] If a vacancy occurs in the office of commissioner, the vacancy must be filled for the unexpired term in a like manner as provided for selection of the commissioner who vacated the office. The office must be considered vacant under the conditions specified in Minnesota Statutes, section 351.02.

Subd. 5. [TERMS OF OFFICE.] The terms of the initial appointees to the board of commissioners are for two, three, four, five, and six years and must be established by lot among the initial five commissioners. The mayor or town board chair of any new member added under section 33 shall designate the term, not to exceed six years, of the first commissioner selected to represent the member. Succeeding terms of all commissioners are six years, except that each commissioner serves until a successor has been duly selected and qualified.

Subd. 6. [REMOVAL.] A commissioner may be removed by the unanimous vote of the appointing governing body, with or without cause.

Subd. 7. [QUALIFICATIONS.] A commissioner may, but need not, be a resident of the territory of the member appointing that commissioner.

Subd. 8. [COMPENSATION.] A commissioner must be paid a per diem compensation for attending a regular or special meeting in an amount determined by the board. A commissioner must be reimbursed for all reasonable expenses incurred in the performance of the commissioner's duties as determined by the board.

Sec. 31. [POWERS; APPLICATION OF EDA LAW.]

Subdivision 1. [USE OF EDA POWERS.] Except as otherwise provided in sections 28 to 35, the authority may exercise any of the powers of an economic development authority (EDA) provided by Minnesota Statutes, sections 469.090 to 469.1082, and for this purpose the term "city" means a member. Minnesota Statutes, sections 469.096 to 469.101, 469.103 to 469.106, and 469.108 to 469.1081 apply to the authority, except that the authority's fiscal year is the calendar year.

Subd. 2. [LAW THAT IS NOT APPLICABLE.] The provisions in:

(1) Minnesota Statutes, section 469.091, subdivision 1, expressly relating to:

(i) the adoption of an enabling resolution;

(ii) Minnesota Statutes, section 469.092; or

(iii) housing and redevelopment authorities; and

(2) Minnesota Statutes, sections 469.093, 469.095, 469.102, and 469.107;

do not apply to the authority.

Sec. 32. [MEMBERS MUST LEVY TAXES FOR AUTHORITY.]

A member shall, at the request of the authority, levy a tax in any year for the benefit of the authority. The tax is, for each member, a pro rata portion of the total amount of tax requested by the authority based on the taxable market value within a member's jurisdiction, but in no event may the tax in any year exceed 0.01813 percent of taxable market value. For purposes of this section, "taxable market value" has the meaning as given in Minnesota Statutes, section 273.032.

The treasurer of each member city or town shall, within 15 days after receiving the property tax settlements from the county treasurer, pay to the treasurer of the authority the amount collected for this purpose. The money must be used by the authority for the purposes provided by sections 28 to 35.

Sec. 33. [ADDITION AND WITHDRAWAL OF MEMBERS.]

Subdivision 1. [ADDITIONS.] A municipality upon a resolution adopted by a four-fifths vote of all of its governing body may petition the authority to be included within the jurisdiction of the authority and, if approved by the authority, the geographic area of the municipality must be included within the jurisdiction of the authority and subject to the jurisdiction of the authority under sections 28 to 35.

Subd. 2. [WITHDRAWALS.] A municipality may withdraw from the authority by resolution of its governing body. The municipality must notify the board of commissioners of the authority of the withdrawal by providing a copy of the resolution at least two years in advance of the proposed withdrawal. Unless the authority and the withdrawing member agree otherwise by action of their governing bodies, the taxable property of the withdrawing member is subject to the property tax levy under section 32 for two taxes payable years following the notification of the withdrawal and the withdrawing member retains any rights, obligations, and liabilities obtained or incurred during its participation.

Sec. 34. [CONTRACTS WITH NONPROFIT CORPORATIONS.]

The authority may enter into contracts with one or more nonprofit corporations to make, from funds of and under guidelines set by the authority, loans or grants for projects the authority may undertake under sections 28 to 35. Minnesota Statutes, section 465.719, does not apply so long as the nonprofit corporation is not described in Minnesota Statutes, section 465.719, subdivision 1, paragraph (b)(i) or (b)(ii).

Sec. 35. [RELATION TO EXISTING LAWS.]

Sections 28 to 35 must be given full effect notwithstanding any law or charter that is inconsistent with them.

Sec. 36. [ST. PAUL LIBRARY AGENCY.]

(a) Notwithstanding any law or charter to the contrary, the city council of the city of St. Paul may, by ordinance, establish an independent library agency, a public body corporate and politic, which is a governmental subdivision of the state of Minnesota. The library agency is responsible for all libraries and library operations within the city of St. Paul. The actions of the city council as library board are subject to mayoral veto and override of that veto in the same manner as other actions of the city council.

(b) All employees of the library agency are employees of the city of St. Paul.

(c) The city may transfer any real or personal property used or to be used for library purposes to the library agency.

(d) The library board shall designate among its members a chair, secretary, and treasurer, and may adopt bylaws.

(e) The director of the library agency shall be appointed by the mayor.

[EFFECTIVE DATE.] This section is effective the day after the governing body of St. Paul and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 37. [ST. PAUL LIBRARY AGENCY TAX LEVIES; FISCAL MATTERS.]

Subdivision 1. [BUDGET TO CITY.] Annually, at a time fixed by charter, resolution, or ordinance of the city, the library board shall send its budget to the city council. The budget must include a detailed written estimate of the amount of money that the library board expects to need from the city to operate the library agency during the next fiscal year in excess of any expected receipts from other sources.

Subd. 2. [FISCAL YEAR.] The fiscal year of the library agency must be the same as the fiscal year of the city.

Subd. 3. [CITY LEVY.] The city shall, at the request of the library board, levy a tax in any year for the benefit of the library agency. The amount collected pursuant to the levy must be held by the city treasurer exclusively for operations of the library agency.

[EFFECTIVE DATE.] This section is effective the day after the governing body of St. Paul and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 38. [ST. PAUL LIBRARY AGENCY GENERAL OBLIGATION BONDS.]

Subdivision 1. [POWER; PROCEDURE.] The library agency may issue bonds in the principal amount authorized by the city council. The bonds may be issued in anticipation of income from any source. The bonds may be issued:

(1) to secure funds needed by the library agency to pay for acquired real or personal property;
or

(2) for capital improvements to property owned or used by the library.

The bonds must be in the amount and form and bear interest at the rate set by the city council. Except as otherwise provided in this section, the issuance of the bonds is governed by Minnesota Statutes, chapter 475. The library agency when issuing the bonds is a municipality under Minnesota Statutes, chapter 475. Notwithstanding any city charter provision or any general or special law to the contrary, the bonds may be issued and sold without submission of the question to the electors of the city, provided that the ordinance of the city council authorizing issuance of the bonds by the library agency is subject to provisions in the city charter pertaining to the procedure for referendum on ordinances enacted by the city council.

Subd. 2. [OUTSIDE DEBT LIMIT.] Bonds issued by the library agency must not be included in the net debt of the city of St. Paul. Money received under this section must not be included in a per capita limit on taxing or spending in the city charter. The library agency is also exempt from the limit.

Subd. 3. [PLEDGE.] The bonds must be secured by the pledge of the full faith, credit, and resources of the city of St. Paul. The city council must first decide whether the issuance of the bonds by the library agency is proper in each case and, if so, the amount of bonds to issue. The city council shall give specific consent in an ordinance to the pledge of the city's full faith, credit, and resources. The city shall pay the principal amount of the bonds and the interest on them from taxes levied under this section to make the payment or from library board income from any source.

[EFFECTIVE DATE.] This section is effective the day after the governing body of St. Paul and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 39. [ST. LOUIS COUNTY; FORFEITED LAND; PROCEEDS.]

Subdivision 1. [AUTHORITY; PURPOSES.] Notwithstanding the provisions of Minnesota Statutes, section 282.08, clause (4), the county board of St. Louis county, out of the proceeds from the sale or rental of any parcel of forfeited land, or from the sale of any products from that land after making the payments directed by Minnesota Statutes, section 282.08, clauses (1), (2), and (3), may annually by resolution apportion the balance including undistributed receipts remaining in the fund on the effective date of this section as provided in subdivisions 2 to 5.

Subd. 2. [TIMBER DEVELOPMENT; MEMORIAL FORESTS.] No more than 30 percent of the balance is to be used for timber development on tax-forfeited land and dedicated memorial forests to be expended under the supervision of the county board on projects approved by the commissioner of natural resources.

Subd. 3. [OTHER PURPOSES.] No more than 20 percent of the balance is to be used for the following purposes:

(1) acquisition and maintenance of county parks or recreational areas as defined in Minnesota Statutes, sections 398.31 to 398.36;

(2) land use planning programs being carried on in the county including the enforcement of any controls developed in said program; and

(3) no more than \$4 per capita of the county's population on the promotion of tourist, agricultural, and economic development.

Subd. 4. [USE FOR STATE OR FEDERAL PROGRAMS.] Any funds set aside by the county board pursuant to subdivisions 2 and 3 may be used by the county board as the county's share in any state or federal aid program relating to the purposes stated in subdivisions 2 and 3.

Subd. 5. [APPORTIONMENT.] Any balance must be apportioned as follows: county, 40 percent; town or city, 20 percent; and school district, 40 percent. But in unorganized territories, the portion that should have accrued to the township must be administered by the county board of commissioners.

[EFFECTIVE DATE; LOCAL APPROVAL.] This section is effective the day after the governing body of St. Louis county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 40. [EFFECTIVE DATE; LOCAL APPROVAL.]

Sections 28 to 35 are only effective as to all affected governing bodies on the day after the last of the governing bodies of the city of Alexandria and the towns of Alexandria, Carlos, and La Grand in Douglas county and the chief clerical officer of each of them timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

The rest of this act, unless otherwise specifically stated, is effective the day following its final enactment."

Delete the title and insert:

"A bill for an act relating to public financing; providing for appointment of commissioners in eminent domain proceedings; modifying a notice for proposed property taxes; modifying terminology; delaying the expiration of a mortgage registry and deed tax in Ramsey and Hennepin counties; modifying terms for loans to political subdivisions and general obligation revenue bonds and revenue bonds; requiring notice and hearing on certain proposed acquisitions by condemnation; establishing limits on bond issuance for extraterritorial projects; providing for distribution of certain funds by the metropolitan council; authorizing the issuance of additional obligations by the metropolitan council with certain restrictions; authorizing municipal obligations without an election to pay to reconstruct streets under certain conditions; providing for distribution of proceeds from certain tax-forfeited lands sales in Koochiching and Itasca counties; changing the maximum amount and extending the period in which the city of St. Paul may issue certain bonds; adding authority for borrowing money; modifying provision for bonds issued for erection of a county jail; allowing levy for and issuance of bonds by Southwest Regional Development Commission; defining territory of Cook county as a hospital district and making it generally subject to chapter 447; authorizing the city of South St. Paul to convey parcels of real estate for construction of single family housing; authorizing the region nine development commission to incorporate; allowing Anoka county to issue capital improvement bonds for a specific purpose; establishing the Lakes Area economic authority; providing the authority with power to levy taxes; authorizing the city of St. Paul to establish an independent library agency; authorizing the library agency to issue bonds; providing for the distribution and apportionment of certain tax-forfeited land proceeds; amending Minnesota Statutes 2000, sections 117.075; 383A.80, subdivision 4; 383B.80, subdivision 4; 465.73; 469.012, subdivision 1; 469.034, subdivision 2; 469.102, subdivision 2; 469.153, by adding a subdivision; 469.155, subdivisions 3, 4, 8; 469.157; 473.252, subdivision 3; 473.39, by adding a subdivision; 475.58, by adding a subdivision; 641.23; Minnesota Statutes 2001 Supplement, section 275.065, subdivision 3; Laws 1965, chapter 326, section 1, subdivision 5, as amended; Laws 1967, chapter 170, section 1, subdivision 5, as

amended; Laws 1971, chapter 773, section 1, subdivision 2, as amended; Laws 1989, chapter 211, section 8, as amended; proposing coding for new law in Minnesota Statutes, chapter 471."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) John C. Hottinger, Ann H. Rest, Dennis R. Frederickson

House Conferees: (Signed) Ron Abrams, Dan McElroy, Bob Milbert

Senator Hottinger moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2572 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2572 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Hottinger	Limmer	Pariseau	Scheid
Belanger	Johnson, Dean	Lourey	Pogemiller	Schwab
Berg	Johnson, Debbie	Marty	Price	Solon, Y.P.
Berglin	Kelley, S.P.	Metzen	Ranum	Stevens
Betzold	Kierlin	Moe, R.D.	Reiter	Stumpf
Chaudhary	Kleis	Moua	Rest	Terwilliger
Cohen	Knutson	Murphy	Ring	Tomassoni
Day	Krentz	Neuville	Robertson	Vickerman
Fischbach	Langseth	Oliver	Robling	Wiener
Foley	Larson	Olson	Sabo	Wiger
Fowler	Lesewski	Ourada	Sams	
Higgins	Lessard	Pappas	Samuelson	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

APPOINTMENTS

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

H.F. No. 3127: Senators Johnson, Dean; Pogemiller and Terwilliger.

Senator Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Kelley S.P. moved that S.F. No. 2707 and the veto message thereon be taken from the table. The motion prevailed.

S.F. No. 2707: A bill for an act relating to real estate; filling in an inadvertent omission for a temporary increase in the surcharge for filing and recording certain documents to fund the real estate task force; extending the effective date for the surcharges; extending the availability of an existing appropriation; providing for the electronic recording and authentication of certain documents as part of a pilot project; delaying the expiration date of the electronic real estate recording task force; amending Minnesota Statutes 2000, section 507.093; Minnesota Statutes 2001 Supplement, sections 507.24, subdivision 2; 508.82, subdivision 1; 508A.82, subdivision 1; Laws 2000, chapter 391, section 1, subdivision 2; Laws 2001, First Special Session chapter 10, article 2, section 98.

VETO RECONSIDERATION

Senator Kelley, S.P. moved that S.F. No. 2707 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Lesewski	Ourada	Samuelson
Bachmann	Higgins	Lessard	Pappas	Scheid
Belanger	Hottinger	Limmer	Pariseau	Schwab
Berg	Johnson, Dean	Lourey	Pogemiller	Solon, Y.P.
Berglin	Johnson, Debbie	Marty	Price	Stevens
Betzold	Kelley, S.P.	Metzen	Ranum	Stumpf
Chaudhary	Kierlin	Moe, R.D.	Reiter	Terwilliger
Cohen	Kleis	Moua	Rest	Tomassoni
Day	Knutson	Murphy	Ring	Vickerman
Fischbach	Krentz	Neuville	Robling	Wiener
Foley	Langseth	Oliver	Sabo	Wiger
Fowler	Larson	Olson	Sams	

The motion prevailed. So the bill was repassed and its title was agreed to, the objections of the Governor notwithstanding.

RECESS

Senator Moe, R.D. moved that the Senate do now recess until 8:00 p.m. The motion prevailed.

The hour of 8:00 p.m. having arrived, the President called the Senate to order.

MEMBERS EXCUSED

Senators Anderson and Terwilliger were excused from the Session of today from 2:00 to 3:00 p.m. Senator Dille was excused from the Session of today from 2:00 to 3:15 p.m. Senators Chaudhary and Scheid were excused from the Session of today from 2:30 to 2:40 p.m.

ADJOURNMENT

Senator Hottinger moved that the Senate do now adjourn until 10:00 a.m., Thursday, May 17, 2002. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

INDEX TO DAILY JOURNAL

Thursday, May 16, 2002

EXECUTIVE AND OFFICIAL COMMUNICATIONS

Pages 6823 to 6824

MESSAGES FROM THE HOUSE AND FIRST READINGS OF HOUSE FILES

S.F. Nos.	Message Page	H.F. Nos.	Message Page	1st Reading Page
2433	..... 6824			
3431	..... 6824			

MOTIONS AND RESOLUTIONS

S.F. Nos.	Page	H.F. Nos.	Page
2486	.....6831		
2572	.....6832		
2707	.....6853		
3172	.....6825		

APPOINTMENTS TO CONFERENCE COMMITTEES

S.F. Nos.	Page	H.F. Nos.	Page
		3127	..... 6853

CONFERENCE COMMITTEE REPORTS AND THIRD READINGS

S.F. Nos.	Page	H.F. Nos.	Page
2486	.....6831		
2572	.....6833		
3172	.....6825		

