

STATE OF MINNESOTA

# Journal of the Senate

EIGHTY-FIFTH LEGISLATURE

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SPECIAL SESSION

FIRST DAY

St. Paul, Minnesota, Tuesday, September 11, 2007

The Senate met at 5:00 p.m. and was called to order by the President.

## CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Monsignor James D. Habiger.

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

The Secretary called the roll by legislative districts in numerical order as follows:

First District . . . . .	LeRoy A. Stumpf
Second District . . . . .	Rod Skoe
Third District . . . . .	Tom Saxhaug
Fourth District . . . . .	Mary Olson
Fifth District . . . . .	David J. Tomassoni
Sixth District . . . . .	Thomas M. Bakk
Seventh District . . . . .	Yvonne Prettner Solon
Eighth District . . . . .	Tony Lourey
Ninth District . . . . .	Keith Langseth
Tenth District . . . . .	Dan Skogen
Eleventh District . . . . .	Bill Ingebrigtsen
Twelfth District . . . . .	Paul E. Koering
Thirteenth District . . . . .	Joseph R. Gimse
Fourteenth District . . . . .	Michelle L. Fischbach
Fifteenth District . . . . .	Tarryl L. Clark
Sixteenth District . . . . .	Betsy L. Wergin
Seventeenth District . . . . .	Rick Olseen
Eighteenth District . . . . .	Steve Dille

Nineteenth District . . . . .	Amy T. Koch
Twentieth District . . . . .	Gary W. Kubly
Twenty-First District . . . . .	Dennis R. Frederickson
Twenty-Second District . . . . .	Jim Vickerman
Twenty-Third District . . . . .	Kathy Sheran
Twenty-Fourth District . . . . .	Julie A. Rosen
Twenty-Fifth District . . . . .	Thomas M. Neuville
Twenty-Sixth District . . . . .	Dick Day
Twenty-Seventh District . . . . .	Dan Sparks
Twenty-Eighth District . . . . .	Steve Murphy
Twenty-Ninth District . . . . .	David H. Senjem
Thirtieth District . . . . .	Ann Lynch
Thirty-First District . . . . .	Sharon Erickson Ropes
Thirty-Second District . . . . .	Warren Limmer
Thirty-Third District . . . . .	Gen Olson
Thirty-Fourth District . . . . .	Julianne E. Ortman
Thirty-Fifth District . . . . .	Claire A. Robling
Thirty-Sixth District . . . . .	Pat Pariseau
Thirty-Seventh District . . . . .	Chris Gerlach
Thirty-Eighth District . . . . .	Jim Carlson
Thirty-Ninth District . . . . .	James P. Metzen
Fortieth District . . . . .	John Doll
Forty-First District . . . . .	Geoff Michel
Forty-Second District . . . . .	David Hann
Forty-Third District . . . . .	Terri Bonoff
Forty-Fourth District . . . . .	Ron Latz
Forty-Fifth District . . . . .	Ann H. Rest
Forty-Sixth District . . . . .	Linda Scheid
Forty-Seventh District . . . . .	Leo T. Foley
Forty-Eighth District . . . . .	Michael J. Jungbauer
Forty-Ninth District . . . . .	Debbie J. Johnson
Fiftieth District . . . . .	Satveer Chaudhary
Fifty-First District . . . . .	Don Betzold
Fifty-Second District . . . . .	Ray Vandever
Fifty-Third District . . . . .	Sandy Rummel
Fifty-Fourth District . . . . .	John Marty
Fifty-Fifth District . . . . .	Charles W. Wiger
Fifty-Sixth District . . . . .	Kathy Saltzman
Fifty-Seventh District . . . . .	Katie Sieben

- Fifty-Eighth District . . . . . Linda Higgins
- Fifty-Ninth District . . . . . Lawrence J. Pogemiller
- Sixtieth District . . . . . D. Scott Dibble
- Sixty-First District . . . . . Linda Berglin
- Sixty-Second District . . . . . Patricia Torres Ray
- Sixty-Third District . . . . . Daniel G. Larson
- Sixty-Fourth District . . . . . Richard J. Cohen
- Sixty-Fifth District . . . . . Sandra L. Pappas
- Sixty-Sixth District . . . . . Ellen R. Anderson
- Sixty-Seventh District . . . . . Mee Moua

The President declared a quorum present.

**MEMBERS EXCUSED**

Senators Bakk, Sieben and Vickerman were excused from the Session of today.

**STATE OF MINNESOTA**

**PROCLAMATION FOR SPECIAL SESSION 2007**

WHEREAS: The Minnesota Constitution allows the Governor to call a special session of the legislature on "extraordinary occasions;" and

WHEREAS: On August 18 and 19, 2007, extremely heavy rains caused severe flooding in Dodge, Fillmore, Houston, Olmsted, Steele, Wabasha, and Winona Counties and these counties have been declared a major disaster area by the President of the United States; and

WHEREAS: The flooding has caused extensive damage and loss of property to individuals, businesses, and local governments; and

WHEREAS: The Governor has exercised his emergency powers under existing law to direct available agency resources to assist individuals and local governments, however, the immediate needs in the disaster areas exceed the resources available through the federal government and existing state resources; and

WHEREAS: I have consulted with legislative leaders and have reached agreement that immediate action by the state legislature to provide the necessary relief and the people of Minnesota will be best served by a one-day special session with the limited agenda of providing disaster relief in southeastern Minnesota.

NOW THEREFORE, I, TIM PAWLENTY, Governor of Minnesota, do hereby summon you, members of the Legislature, to convene in Special Session on Tuesday, September 11, 2007, at 5:00 p.m. at the State Capitol in Saint Paul, Minnesota.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Minnesota to be affixed at the State Capitol this 10th day of September in the year of our Lord

two thousand and seven, and of the State the one hundred forty-ninth.

Tim Pawlenty  
GOVERNOR

Mark Ritchie  
SECRETARY OF STATE

### MOTIONS AND RESOLUTIONS

#### Senators Pogemiller and Senjem introduced –

**Senate Resolution No. 1:** A Senate resolution relating to organization and operation of the Senate during the Special Session.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The Senate is organized under Minnesota Statutes, sections 3.073 and 3.103.

The Rules of the Senate for the 85th Legislature are the Rules for the Special Session, except that Rules 3.5, 5 and 9 are not operative other than as provided in this resolution.

The Committee on Rules and Administration is established in the same manner and with the same powers as in the 85th Legislature.

With respect to Rule 30, Reconsideration, a notice of intention to move for reconsideration is not in order, but a motion to reconsider may be made, and when made has priority over other business except a motion to adjourn.

Senator Pogemiller moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

**MOTIONS AND RESOLUTIONS - CONTINUED****Senators Pogemiller and Senjem introduced –**

**Senate Resolution No. 2:** A Senate resolution relating to notifying the House of Representatives and the Governor that the Senate is organized.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The Secretary of the Senate shall notify the House of Representatives and the Governor that the Senate is now duly organized under the Minnesota Constitution and Minnesota Statutes.

Senator Pogemiller moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

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

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time.

**Senators Erickson Ropes, Lynch, Murphy, Senjem and Day introduced–**

**S.F. No. 1:** A bill for an act relating to disaster relief; providing money to match and supplement federal disaster assistance for property damaged by the floods of August 2007; providing for temporary waivers of certain program requirements and other relief; providing for flood enrollment impact aid to school districts; providing for property tax abatements and reimbursements; modifying certain property tax and aid provisions in designated counties; facilitating use of federal money to rebuild I-35W bridge over the Mississippi River in the city of Minneapolis; providing aid to local governments and individuals affected by floods, fires, drought, and other disasters; appropriating money; amending Minnesota Statutes 2006, sections 273.123; 273.124, subdivision 14; 275.065, by adding a subdivision.

Referred to the Committee on Rules and Administration.

**Senator Berglin introduced–**

**S.F. No. 2:** A bill for an act relating to insurance; prohibiting insurers from penalizing insureds for certain types of motor vehicle claims and from providing certain incorrect information regarding the effect of a motor vehicle claim on future insurability or premium rates; amending Minnesota Statutes 2006, sections 65B.133, subdivision 5a; 72A.20, subdivision 12.

Referred to the Committee on Rules and Administration.

**MOTIONS AND RESOLUTIONS - CONTINUED**

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

reverted to the Order of Business of Messages From the House.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to inform you that the House of Representatives of the State of Minnesota is now duly organized for the 2007 Special Session pursuant to law.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted September 11, 2007

### RECESS

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

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

### CALL OF THE SENATE

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

### MOTIONS AND RESOLUTIONS - CONTINUED

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

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

#### **Senators Rest and Lourey introduced—**

**S.F. No. 3:** A bill for an act relating to elections; requiring voting systems accessible to individuals with disabilities in township elections; amending Minnesota Statutes 2006, section 206.57, subdivision 5.

### SUSPENSION OF RULES

Senator Pogemiller moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 3 and that the rules of the Senate be so far suspended as to give S.F. No. 3 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 3 was read the second time.

S.F. No. 3 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

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

### REPORTS OF COMMITTEES

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

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

**S.F. No. 1:** A bill for an act relating to disaster relief; providing money to match and supplement federal disaster assistance for property damaged by the floods of August 2007; providing for temporary waivers of certain program requirements and other relief; providing for flood enrollment impact aid to school districts; providing for property tax abatements and reimbursements; modifying certain property tax and aid provisions in designated counties; facilitating use of federal money to rebuild I-35W bridge over the Mississippi River in the city of Minneapolis; providing aid to local governments and individuals affected by floods, fires, drought, and other disasters; appropriating money; amending Minnesota Statutes 2006, sections 273.123; 273.124, subdivision 14; 275.065, by adding a subdivision.

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

Page 1, line 22, delete "3,000,000" and insert "4,000,000"

Page 1, after line 27, insert:

"Human Services 200,000"

Page 3, line 2, delete "an amount equal to the federal money" and insert "the amount determined by the commissioner of finance by which the combined federal and state funding for a project exceeds the cost of the project"

Page 3, line 7, delete "20,500,000" and insert "19,500,000"

Page 3, line 31, after "counties" insert "and cities"

Page 3, line 32, delete "rural"

Page 4, line 13, delete "Investment Support" and insert "Operations and Maintenance"

Page 4, line 28, delete "local roads" and insert "county, city, and town roads, streets"

Page 5, line 9, delete "an"

Page 5, line 10, delete "amount equal to the federal funding" and insert "the amount determined by the commissioner of finance by which the combined federal and state funding for a project exceeds the cost of the project"

Page 6, line 12, delete "Stream Debris Removal" and insert "Flood Response and Recovery"

Page 6, delete line 13 and insert "For flood response and recovery"

Page 6, delete section 6 and insert:

**"Sec. 6. BOARD OF WATER AND SOIL RESOURCES**

**Subdivision 1. Total appropriation** **\$ 4,000,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

**Subd. 2. RIM Conservation Easements** **1,000,000**

From the bond proceeds fund to acquire easements from landowners on marginal lands in the area included in DR-1717 that were damaged by the floods of August 2007 in order to protect soil and water quality and to support fish and wildlife habitat as provided in Minnesota Statutes, section 103F.515.

Up to 20 percent of this appropriation may be used by the board to implement the program.



**Subd. 3. Erosion, Sediment, and Water Quality  
Control Cost-Share Program**

3,000,000

From the general fund to install, repair, or rehabilitate erosion and sediment control projects in the area included in DR-1717 that were damaged by the floods of August 2007 in order to protect soil and water quality and to support fish and wildlife habitat.

Up to 20 percent of this appropriation may be used by the board to implement the program."

Page 7, line 26, after "businesses" insert "and nonprofit organizations"

Page 7, line 27, delete "businesses" and insert "but not limited to those"

Page 7, after line 31, insert:

"Payments may be made for property damage and cleanup, and to reimburse parties under contract, provider agreement, or other arrangement with the commissioner of human services as of August 18, 2007, for residential, health care, child care, social, or other services provided on behalf of the Department of Human Services to a resident of the area included in DR-1717, notwithstanding that:

(1) the resident has been compelled by the floods of August 2007 to relocate outside the party's service area; or

(2) the party is unable to provide services to the resident due to flood damage to the party's place of business."

Page 8, line 14, before "committees" insert "and finance"

Page 9, line 19, before "For" insert "(a)"

Page 9, after line 26, insert:

"(b) \$100,000 is for the commissioner of health for the costs of additional testing of wells where bacteria above human health risk limits have been found.

(c) \$100,000 is for the commissioner of health to conduct indoor air quality investigation and sampling in public facilities and nonprofit

organizations."

Page 10, line 1, delete "site" and insert "structure"

Page 11, line 29, delete "Facilities"

Page 11, line 31, after "For" insert "flood enrollment impact aid, increased transportation costs, and"

Page 12, after line 5, insert:

"Sec. 12. <b><u>HUMAN SERVICES</u></b>	<b><u>\$</u></b>	<b><u>200,000</u></b>
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To pay for human services costs not otherwise reimbursed as provided in section 18."

Page 12, line 8, delete "flooded" and insert "damaged"

Page 13, line 9, after the semicolon, insert "RIM easements;"

Page 13, line 10, before "The" insert "(a)"

Page 13, delete lines 11 and 12 and insert "waive the provisions of Minnesota Rules, chapter 8400, in the affected geographic area included in DR-1717 on land damaged by the floods of August 2007. The"

Page 13, after line 16, insert:

"(b) The payment maximums for improvements to the land under Minnesota Statutes, section 103F.515, subdivision 6, paragraph (a), clause (1), are waived for easements acquired in the geographic area included in DR-1717 on land damaged by the floods of August 2007."

Page 13, delete sections 16 and 17 and insert:

"Sec. 17. **USE OF NATIONAL EMPLOYMENT GRANT.**

The \$3,000,000 National Emergency grant from the United States Department of Labor to the Department of Employment and Economic Development for assistance for the area included in DR-1717, is appropriated from the federal fund to the commissioner of employment and economic development for the purposes for which it was received. To ensure efficient use of disaster money, contractors working on projects funded under this act shall give first priority to hiring employees who are available through the grant.

Sec. 18. **HUMAN SERVICES COSTS NOT OTHERWISE REIMBURSED.**

The commissioner of human services may pay providers who were under contract, provider agreement, or other arrangement with the commissioner of human services as of August 18, 2007, for evacuation, transportation, or medical or remedial services provided to vulnerable residents necessary to assure the health and safety of medical assistance recipients during and up to 60 days following the floods and damage included in DR-1717, to the extent that those services are not otherwise covered by federal disaster assistance, private insurance, or other existing state or federal human services funding. This funding shall be allocated at the discretion of the commissioner, and, to the extent approved by the federal Centers for Medicare and Medicaid Services, some or all of

the funding may be distributed in the form of medical assistance payments."

Page 13, line 31, delete "FLOODED" and insert "DAMAGED"

Page 14, line 9, after "DR-1717" insert "or a county containing property damaged by the Ham Lake fire of 2007"

Page 14, line 12, delete "flooding and" and after "flood" insert "or fire"

Page 14, line 20, delete "September 30" and insert "October 31"

Page 14, lines 21 and 36, after "flood-related" insert "or fire-related"

Page 14, line 23, delete "October" and insert "November"

Page 14, line 27, delete "October 31" and insert "November 30"

Page 14, line 30, delete "November" and insert "December"

Page 15, line 18, delete "2008" and insert "2007"

Page 16, lines 3 and 4, delete "May 15, 2008" and insert "December 31, 2007"

Page 20, delete section 22 and insert:

"Sec. 23. **WAIVER OF TRUTH-IN-TAXATION REQUIREMENTS.**

A county or local government in the area included in DR-1717 may petition the commissioner in writing to waive some or all of the requirements of Minnesota Statutes, section 275.065, to the extent that their performance or applicability is significantly hindered by the disaster or emergency. The commissioner may grant the waiver for truth-in-taxation for taxes payable in 2008."

Page 20, line 28, after "state" insert "and local"

Page 21, line 1, after "appropriated" insert "from the trunk highway fund"

Page 21, after line 4, insert:

"Sec. 3. Minnesota Statutes 2006, section 72A.20, subdivision 12, is amended to read:

Subd. 12. **Unfair service.** Causing or permitting with such frequency to indicate a general business practice any unfair, deceptive, or fraudulent act concerning any claim or complaint of an insured or claimant including, but not limited to, the following practices:

- (1) misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;
- (2) failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;
- (3) failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies;
- (4) refusing to pay claims without conducting a reasonable investigation based upon all available information;

(5) failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed;

(6) not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear;

(7) compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by the insureds;

(8) attempting to settle a claim for less than the amount to which reasonable persons would have believed they were entitled by reference to written or printed advertising material accompanying or made part of an application;

(9) attempting to settle claims on the basis of an application which was altered without notice to, or knowledge or consent of, the insured;

(10) making claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which the payments are being made;

(11) making known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration;

(12) delaying the investigation or payment of claims by requiring an insured, claimant, or the physician of either to submit a preliminary claim report and then requiring the subsequent submission of formal proof of loss forms, both of which submissions contain substantially the same information;

(13) failing to promptly settle claims, where liability has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage;

(14) failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement;

(15) requiring an insured to provide information or documentation that is or would be dated more than five years prior to or five years after the date of a fire loss, except for proof of ownership of the damaged property;

(16) stating or implying to an insured that filing a claim related to the I-35W bridge collapse for no-fault motor vehicle insurance benefits would or may result in a surcharge, when the surcharge would be prohibited by law;

(17) failing to promptly inform an insured who files a claim described in section 65B.133, subdivision 5a, related to the I-35W bridge collapse of the provisions of that law, both orally and in writing."

Page 21, delete sections 1 and 2 and insert:

"Section 1. AGRICULTURE.

\$3,700,000 is appropriated from the general fund to the commissioner of agriculture for flood and drought recovery assistance to affected agricultural producers. The commissioner, in consultation with the chairs of the house of representatives and senate agriculture finance committees, shall develop eligibility criteria and may allocate funding among the following areas according to need: livestock investment grants; organic certification assistance; forage production loss offsets for livestock producers; no-interest disaster recovery loans; water sampling and analysis related to the incident at a Rushford agricultural chemical facility; and grants to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support to farm families and business operators through farm business management programs. For the purposes of flood relief, eligible producers must operate an agricultural operation in the area included in DR-1717. For the purposes of drought relief, eligible producers must operate an agricultural operation in counties classified all or in part as D3 by the United States Drought Monitor during calendar year 2007."

Page 22, line 13, delete "revenue" and insert "public safety"

Page 22, after line 22, insert:

"Sec. 5. Minnesota Statutes 2006, section 18E.04, subdivision 4, is amended to read:

Subd. 4. **Reimbursement payments.** (a) The board shall pay a person that is eligible for reimbursement or payment under subdivisions 1, 2, and 3 from the agricultural chemical response and reimbursement account for 80 percent of the total reasonable and necessary corrective action costs greater than \$1,000 and less than or equal to \$350,000.

(b) A reimbursement or payment may not be made until the board has determined that the costs are reasonable and are for a reimbursement of the costs that were actually incurred.

(c) The board may make periodic payments or reimbursements as corrective action costs are incurred upon receipt of invoices for the corrective action costs.

(d) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments and reimbursements directed by the board under this subdivision.

(e) The board may not make reimbursement greater than the maximum allowed under paragraph (a) for all incidents on a single site which:

(1) were not reported at the time of release but were discovered and reported after July 1, 1989; and

(2) may have occurred prior to July 1, 1989, as determined by the commissioner.

(f) The board may only reimburse an eligible person for separate incidents within a single site if the commissioner determines that each incident is completely separate and distinct in respect of location within the single site or time of occurrence.

(g) Except for an emergency incident, the board may not reimburse or pay for more than 60 percent of the corrective action costs of an eligible person or for an incident within five years of a previous incident at a single site resulting from a site recontamination.

(h) The deduction of \$1,000 and 20 percent from the \$350,000 remuneration may be waived

by the board if the incident took place on or after August 18, 2007, and was caused by flooding associated with Presidential Declaration of Major Disaster DR-1717."

Page 22, delete section 6 and insert:

**"Sec. 6. [273.1231] TAX RELIEF FOR DESTROYED PROPERTY; DEFINITIONS.**

Subdivision 1. **Applicability.** For purposes of sections 273.1231 to 273.1235, the following words, terms, and phrases have the meanings given them in this section unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. **Disaster or emergency.** "Disaster or emergency" means:

- (1) a major disaster as determined by the president of the United States;
- (2) a natural disaster as determined by the secretary of agriculture;
- (3) a disaster as determined by the administrator of the small business administration; or
- (4) a tornado, storm, flood, earthquake, landslide, explosion, fire or similar catastrophe, as a result of which a local emergency is declared pursuant to section 12.29.

Subd. 3. **Disaster or emergency area.** (a) "Disaster or emergency area" means a geographic area for which:

(1)(i) the president of the United States, the secretary of agriculture, or the administrator of the small business administration has determined that a disaster exists pursuant to federal law, or

(ii) a local emergency has been declared pursuant to section 12.29; and

(2) an application by the local unit of government requesting property tax relief under this section has been received by the governor and approved by the executive council.

(b) The executive council must not approve an application unless:

(1) a completed disaster survey is included; and

(2) within the boundaries of the applicant, (i) the average damage for the buildings that are damaged is at least \$5,000, and (ii) either at least 25 taxable buildings were damaged, or the total dollar amount of damage to all taxable buildings equals or exceeds one percent of the total taxable market value of buildings for the applicant as reported to the commissioner of revenue under section 270C.89, subdivision 2, for the assessment in the year prior to the year of the damage.

Subd. 4. **Homestead property.** "Homestead property" means a homestead dwelling that is classified as class 1a, 1b, 1c, or 2a property or a manufactured home or sectional home used as a homestead and taxed pursuant to section 273.125, subdivision 8, paragraph (b), (c), or (d).

Subd. 5. **Nonhomestead property.** "Nonhomestead property" means any class of taxable real or personal property except homestead property and property that is required by law to be appraised for property tax purposes by the commissioner of revenue.

Subd. 6. **Net tax.** "Net tax" means the market value and net tax capacity taxes imposed on real and personal property under section 272.01, including the levy under section 275.025, after the subtractions listed in section 273.1393, clauses (2) to (9). Net tax excludes special assessments

regardless of how computed.

Subd. 7. **Reassessed market value.** "Reassessed market value" means the taxable market value of the property established for the January 2 assessment in the year that the disaster or destruction occurs, as adjusted by the county assessor or the commissioner of revenue to reflect the loss in market value caused by the damage. As soon as practical, the assessor or commissioner shall report the reassessed value to the county auditor.

**Sec. 7. [273.1232] TAX RELIEF FOR DESTROYED PROPERTY; GENERAL PROVISIONS.**

Subdivision 1. **Reassessments required.** For the purposes of sections 273.1231 to 273.1235, the county assessor must reassess all damaged property in a disaster or emergency area, and the county assessor or the commissioner of revenue as appropriate shall reassess all property for which an application is submitted under section 273.1233 or 273.1235.

Subd. 2. **Local tax rates.** Except as otherwise required by law, the county auditor must compute local tax rates for taxes payable in the year following the year in which the damage occurred using the values established for the January 2 assessment.

**Sec. 8. [273.1233] TAX RELIEF FOR DESTROYED PROPERTY; LOCAL OPTION DISASTER ABATEMENT.**

Subdivision 1. **Abatement authorization.** (a) Notwithstanding section 375.192, a county board may grant an abatement of net tax for homestead and nonhomestead property under the provisions of this paragraph for taxes payable in the year in which the destruction occurs if:

(1) the owner submits a written application to the county assessor as soon as practical after the damage has occurred;

(2) the owner submits a written application to the county board as soon as practical after the damage has occurred; and

(3) the county assessor determines that 50 percent or more of a homestead dwelling or other building has been (i) unintentionally or accidentally destroyed, or (ii) destroyed by arson or vandalism by someone other than the owner.

Abatements granted under this paragraph are not subject to approval by the commissioner of revenue.

(b) Notwithstanding sections 270C.86 and 375.192, the commissioner of revenue may grant an abatement of net tax for property that the commissioner is required by law to appraise for taxes payable in the year in which the destruction occurs if:

(1) the owner submits a written application to the commissioner as soon as practical after the damage has occurred;

(2) the owner forwards a copy of the written application to the county board as soon as practical after the damage has occurred; and

(3) the commissioner determines that 50 percent or more of the property has been (i) unintentionally or accidentally destroyed, or (ii) destroyed by arson or vandalism by someone other

than the owner.

Abatements granted under this paragraph are not subject to approval by the county board of the county where the property is located.

Subd. 2. **Abatement limits and allowances.** (a) In the case of a property located within a disaster or emergency area, the abatement under this section is limited to the difference between (i) the net tax on the property computed using the market value of the property established for the January 2 assessment in the year in which the damage occurred, and (ii) the net tax computed using the reassessed value.

(b) In the case of property not located in a disaster or emergency area, the abatement under this section is limited to the result obtained by multiplying the difference in the net tax on the property computed using the market value of the property established for the January 2 assessment in the year in which the damage occurred, and the net tax computed using the reassessed value, times a fraction, the numerator of which is the number of months in the assessment year that the structure was not usable and the denominator of which is 12. If a structure was usable for a fraction of a month, that month is not included in the numerator.

(c) If application is made after payment of all or a portion of the taxes being abated, the portion already paid shall be refunded to the taxpayer by the county treasurer as soon as practical.

Subd. 3. **Reimbursement, levy, and appropriation.** (a) If the destruction occurs as a result of a disaster or emergency and the property is located in a disaster or emergency area, the county auditor shall certify the abatements granted under this section to the commissioner of revenue for reimbursement to each taxing jurisdiction in which the damaged property is located. The commissioner shall make the payments to the taxing jurisdictions containing the property, other than school districts and the state, at the time distributions are made under section 473H.10, subdivision 3. Reimbursements to school districts shall be made as provided in section 273.1392. No reimbursement is to be paid to the state treasury.

(b) Local taxing authorities may levy in the following year the amount of unreimbursed tax dollars lost as a result of the reductions granted pursuant to this subdivision outside of any statutory restriction as to levy amount or tax rate.

(c) There is annually appropriated from the general fund to the commissioner of revenue an amount necessary to make the payments required by this section.

#### Sec. 9. [273.1234] **TAX RELIEF FOR DESTROYED PROPERTY; HOMESTEAD AND DISASTER CREDITS.**

Subdivision 1. **Credit provided.** The county auditor shall compute a credit for taxes payable in the year following the year in which the damage or destruction occurred for each reassessed homestead within the county that is located within a disaster or emergency area. The credit is equal to the difference in the net tax on the property computed using the market value of the property established for the January 2 assessment in the year in which the damage occurred and as computed using the reassessed value.

Subd. 2. **Credit reimbursements.** The county auditor shall certify the credits granted under this section to the commissioner of revenue for reimbursement to each taxing jurisdiction in which the damaged property is located. The commissioner shall make the payments to the taxing jurisdictions



containing the property, other than school districts and the state, at the time distributions are made under section 473H.10, subdivision 3. Reimbursements to school districts shall be made as provided in section 273.1392. No reimbursement is to be paid to the state treasury.

Subd. 3. **Appropriation.** There is annually appropriated from the general fund to the commissioner of revenue an amount necessary to make the payments required by this section.

Sec. 10. **[273.1235] TAX RELIEF FOR DESTROYED PROPERTY; LOCAL OPTION DISASTER CREDITS.**

Subdivision 1. **Credit provided.** The county board may grant a credit for taxes payable in the year following the year in which the damage or destruction occurred for: (1) homestead properties that do not qualify for a credit under section 273.1234; and (2) nonhomestead property meeting the requirements under section 273.1233.

Subd. 2. **Credit calculation.** In the case of a property located within a disaster or emergency area, the credit is equal to the difference between (i) the net tax on the property computed using the market value of the property established for the January 2 assessment in the year in which the damage occurred, and (ii) the net tax computed using the reassessed value. In the case of property not located in a disaster or emergency area, the credit under this section is equal to the result obtained by multiplying the difference in the net tax on the property computed using the market value of the property established for the January 2 assessment in the year in which the damage occurred, and the net tax computed using the reassessed value, times a fraction, the numerator of which is the number of months in the assessment year that the structure was not usable and the denominator of which is 12. If a structure was usable for a fraction of a month, that month is not included in the numerator.

Subd. 3. **Credit reimbursements.** The county auditor shall certify the credits granted under this section for property within a disaster or emergency area to the commissioner of revenue for reimbursement to each taxing jurisdiction in which the damaged property is located. The commissioner shall make the payments to the taxing jurisdictions containing the property, other than school districts and the state, at the time distributions are made under section 473H.10, subdivision 3. Reimbursements to school districts shall be made as provided in section 273.1392. No reimbursement is to be paid to the state treasury. No reimbursement is to be made for credits to property not located in a disaster or emergency area.

Subd. 4. **Appropriation.** There is annually appropriated from the general fund to the commissioner of revenue an amount necessary to make the payments required by this section."

Page 26, line 4, delete "to" and insert "for"

Page 26, after line 8, insert:

"Sec. 12. **REVISOR'S INSTRUCTION.**

In the next edition of the Minnesota Statutes, the Revisor of Statutes shall replace the references to section 273.123 in sections 273.11, 273.1392, and 273.1393 with references to sections 273.1231 to 273.1235.

Sec. 13. **REPEALER.**

Minnesota Statutes 2006, section 273.123, is repealed."

Page 26, line 10, delete "This article is" and insert "Sections 1, 2, 3, 4, 5, and 11 are" and after the period, insert "Sections 6, 7, 8, 9, 10, 12, and 13 are effective (1) beginning for taxes payable in 2008 for all properties, (2) for taxes payable in 2007 and thereafter for property damaged on or after the day following final enactment, and (3) beginning for taxes payable in 2006 for property destroyed by arson or vandalism in calendar year 2006 and thereafter."

Correct the appropriation summary and the bond sale authorization

Renumber the sections in sequence

Amend the title accordingly

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

### SUSPENSION OF RULES

Senator Pogemiller moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1 and that the rules of the Senate be so far suspended as to give S.F. No. 1 its second reading. The motion prevailed.

S.F. No. 1 was read the second time.

### RECESS

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

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

### SUSPENSION OF RULES

Senator Pogemiller moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1 and that the rules of the Senate be so far suspended as to give S.F. No. 1 its third reading and place it on its final passage. The motion prevailed.

**S.F. No. 1:** A bill for an act relating to disaster relief; providing money to match and supplement federal disaster assistance for property damaged by the floods of August 2007; providing for temporary waivers of certain program requirements and other relief; providing for flood enrollment impact aid to school districts; providing for property tax abatements and reimbursements; modifying certain property tax and aid provisions in designated counties; facilitating use of federal money to rebuild I-35W bridge over the Mississippi River in the city of Minneapolis; modifying related unfair service insurance claims; providing aid to local governments and individuals affected by floods, fires, drought, and other disasters; authorizing sale of state bonds; appropriating money; amending Minnesota Statutes 2006, sections 18E.04, subdivision 4; 72A.20, subdivision 12; 273.124, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes, section 273.123.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Rest

So the bill passed and its title was agreed to.

Senator Pogemiller moved that S.F. No. 1 be laid on the table. The motion prevailed.

### RECESS

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

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

### MOTIONS AND RESOLUTIONS - CONTINUED

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

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 3.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned September 11, 2007

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith

transmitted: H.F. No. 1.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted September 11, 2007

### FIRST READING OF HOUSE BILLS

The following bill was read the first time.

**H.F. No. 1:** A bill for an act relating to disaster relief; providing money to match and supplement federal disaster assistance for property damaged by the floods of August 2007; providing for temporary waivers of certain program requirements and other relief; providing for flood enrollment impact aid to school districts; providing for property tax abatements and reimbursements; modifying certain property tax and aid provisions in designated counties; facilitating use of federal money to rebuild I-35W bridge over the Mississippi River in the city of Minneapolis; providing aid to local governments and individuals affected by floods, fires, drought, and other disasters; authorizing sale of state bonds; appropriating money; amending Minnesota Statutes 2006, sections 18E.04, subdivision 4; 72A.20, subdivision 12; 273.124, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 2006, section 273.123.

### SUSPENSION OF RULES

Senator Pogemiller moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1 and that the rules of the Senate be so far suspended as to give H.F. No. 1 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1 was read the second time.

H.F. No. 1 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Rest

So the bill passed and its title was agreed to.

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

**Senators Pogemiller and Senjem introduced –**

**Senate Resolution No. 3:** A Senate resolution relating to adjournment of the Special Session.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The Secretary of the Senate shall notify the Governor and the House of Representatives that the Senate is about to adjourn the Special Session sine die.

The Secretary of the Senate may correct and approve the Journal of the Senate for the Special Session.

Senator Pogemiller moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

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

### **MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to inform you that the House of Representatives of the State of Minnesota is about to adjourn the 2007 Special Session sine die.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted September 11, 2007

### **MEMBERS EXCUSED**

Senator Rest was excused from the Session of today from 5:00 to 5:30 p.m. Senators Johnson and Sparks were excused from the Session of today from 5:00 to 5:40 p.m. Senator Scheid was excused from the Session of today from 10:20 to 10:45 p.m. Senator Prettner Solon was excused from the Session of today from 11:05 to 11:20 p.m. Senator Anderson was excused from the Session of today at 1:05 a.m.

**ADJOURNMENT**

Senator Pogemiller moved that the Senate do now adjourn the Special Session sine die. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate







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