

NINETY-FIRST DAY

St. Paul, Minnesota, Friday, April 3, 1992

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Monsignor John C. Ward.

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

Adkins	DeCramer	Johnston	Moe, R.D.	Riveness
Beckman	Dicklich	Kelly	Mondale	Sams
Belanger	Finn	Knaak	Morse	Samuelson
Benson, D.D.	Flynn	Kroening	Neuville	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Stumpf
Berglin	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	Halberg	Luther	Piper	Vickerman
Brataas	Hottinger	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 1, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

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. 720, 1300, 1689, 1919 and 2210.

Warmest regards,

Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2028.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1992

Mr. President:

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

S.F. No. 1619: A bill for an act relating to crimes; expanding list of offenses that result in ineligibility for a pistol permit to include all felonies, domestic abuse, and malicious punishment of a child; amending Minnesota Statutes 1990, section 624.713, subdivision 1; and Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5.

There has been appointed as such committee on the part of the House: Bishop, Vellenga and Solberg.

Senate File No. 1619 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1992

Mr. President:

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

S.F. No. 2514: A bill for an act relating to the Yellow Medicine county hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4.

There has been appointed as such committee on the part of the House: Peterson, Brown and Knickerbocker.

Senate File No. 2514 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1992

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2623, 2121 and 2940.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 2, 1992

FIRST READING OF HOUSE BILLS

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

H. F. No. 2623: A bill for an act relating to the Mississippi river headwaters area; updating and changing provisions relating to activities of the Mississippi headwaters board; amending Minnesota Statutes 1990, sections 103F.361, subdivision 2; 103F.363, subdivision 2; 103F.365, by adding a subdivision; 103F.367, subdivision 6; 103F.369, subdivisions 1 and 4; 103F.371; 103F.373, subdivisions 1 and 2; 103F.375, subdivision 1; and 103F.377; Minnesota Statutes 1991 Supplement, section 103F.369, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2344, now on General Orders.

H. F. No. 2121: A bill for an act relating to education; providing for general education and related revenue, transportation, special programs, other aids, levies, and programs; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivision 5; 120.102, subdivision 1; 120.17, subdivisions 3a, 8a, 12, 14, 16, and by adding subdivisions; 121.148, subdivision 3; 121.11, by adding a subdivision; 121.16, subdivision 1; 121.935, by adding subdivisions; 122.22, by adding a subdivision; 122.23, subdivisions 13, 16, and by adding a subdivision; 122.247, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, and 2c; 122.532, subdivision 2; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding a subdivision; 123.39, subdivision 8d; 123.58, by adding a subdivision; 123.744, as amended, as reenacted; 124.243, subdivision 2, and by adding a subdivision; 124.2725, subdivision 13; 124.331, subdivisions 1 and 3; 124.431, by adding a subdivision; 124.493, subdivision 1; 124.494, subdivisions 2, 4, and 5; 124.73, subdivision 1; 124.83, subdivisions 2, 6, and by adding subdivisions; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2, and by adding a subdivision; 124C.07; 124C.08, subdivision 2; 124C.09; 124C.61; 125.05, subdivisions 1, 7, and by adding subdivisions; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 126.12, subdivision 2; 126.22, by adding a subdivision; 127.46; 128A.09, subdivision 2, and by adding a subdivision; 128C.01, subdivision 4; 128C.02, by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136C.69, subdivision 3; 136D.75; 182.666, subdivision 6; 275.125, subdivision 10, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 120.062, subdivision 8a; 120.064, subdivision 4; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 121.585, subdivision 3; 121.831; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6; 121.932, subdivisions 2 and 5; 121.935, subdivisions 1 and 6; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.531, subdivision 4a; 123.3514, subdivisions 4 and 11; 123.702, subdivisions 1, 1a, and 1b; 124.155,

subdivision 2; 124.19, subdivisions 1, 1b, and 7; 124.195, subdivision 2; 124.214, subdivisions 2 and 3; 124.2601, subdivision 6; 124.2721, subdivision 3b; 124.2727, subdivision 6, and by adding subdivisions; 124.479; 124.493, subdivision 3; 124.646, subdivision 4; 124.83, subdivision 1; 124.95, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124A.03, subdivisions 1c, 2, 2a, and by adding a subdivision; 124A.23, subdivisions 1 and 4; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 125.185, subdivisions 4 and 4a; 125.62, subdivision 6; 126.70; 135A.03, subdivision 3a; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.76, subdivision 2; 136D.82, subdivision 3; 245A.03, subdivision 2; 275.065, subdivision 1; 275.125, subdivisions 6j and 11g; 364.09; and 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapter 265, articles 3, section 39, subdivision 16; 4, section 30, subdivision 11; 5, sections 18, 23, and 24, subdivision 4; 6, sections 64, subdivision 6, 67, subdivision 3, and 68; 7, sections 37, subdivision 6, 41, subdivision 4, and 44; 8, sections 14 and 19, subdivision 6; and 9, sections 75 and 76; proposing coding for new law in Minnesota Statutes, chapters 123; 124; 124C; and 135A; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 122.23, subdivisions 16a and 16b; 124.274; 125.03, subdivision 5; 128A.022, subdivision 5; 134.34, subdivision 2; 136D.74, subdivision 3; 136D.76, and subdivision 3; Minnesota Statutes 1991 Supplement, sections 121.935, subdivisions 7 and 8; 123.35, subdivision 19; 124.2721, subdivisions 5a and 5b; 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2; Laws 1990, chapters 562, article 12; 604, article 8, section 12; and 610, article 1, section 7, subdivision 4; and Laws 1991, chapter 265, article 9, section 73.

Mr. Moe, R.D. moved that H.F. No. 2121 be laid on the table. The motion prevailed.

H.F. No. 2940: A bill for an act relating to the financing and operation of government in Minnesota; changing the funding and payment of certain aids to local governments; modifying the administration, computation, collection, and enforcement of taxes and refunds; changing tax rates, bases, credits, exemptions, and payments; reducing the amount in the budget and cash flow reserve account; updating references to the Internal Revenue Code; changing certain bonding provisions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, and watershed districts; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 60A.19, subdivision 6; 103B.241; 103B.335; 103F.221, subdivision 3; 124.2131, subdivision 1; 174.27; 268.672, by adding subdivisions; 268.6751, subdivision 1; 268.676, subdivision 1; 268.677, subdivisions 1 and 2; 268.681, subdivisions 1, 2, and 3; 268.682, subdivisions 1, 2, and 3; 270.075, subdivision 1; 270A.05; 270A.07, subdivisions 1 and 2; 270A.11; 270B.01, subdivision 8; 271.06, subdivision 7; 272.115; 273.11, by adding subdivisions; 273.13, subdivision 24; 273.135, subdivision 2; 274.19, subdivision 8; 274.20, subdivisions 1, 2, and 4; 278.01, subdivision 2; 278.02; 282.01, subdivision 7; 282.012; 282.09, subdivision 1; 282.241; 282.36; 289A.25, by adding a subdivision; 289A.26, subdivisions 3, 4, 7, and 9; 289A.50, subdivision 5; 290.05, subdivision 4; 290.06, by adding a subdivision; 290.091, subdivision 6; 290.0922, subdivision 2; 290.9201, subdivision 11; 290.923, by adding a subdivision; 290A.03, subdivision 8; 290A.19; 290A.23; 297A.01, by adding a subdivision; 297A.02, by adding a subdivision; 297A.14, subdivision 1; 297A.15, subdivisions 5 and 6;

297A.25, subdivisions 11, 45, and by adding subdivisions; 297B.01, subdivision 8; 327C.01, by adding a subdivision; 327C.12; 373.40, subdivision 7; 383.06; 383B.152; 398A.06, subdivision 2; 401.02, subdivision 3; 401.05; 414.0325, by adding a subdivision; 414.033, subdivisions 2, 3, 5, and by adding a subdivision; 462A.22, subdivision 1; 469.107, subdivision 2; 469.153, subdivision 2; 469.177, subdivision 1a; 471.571, subdivision 2; 473.388, subdivision 4; 473.446, subdivision 1; 473.711, subdivision 2; 473H.10, subdivision 3; 477A.013, subdivision 5; 477A.015; 477A.12; 477A.13; 488A.20, subdivision 4; 541.07; and 641.24; Minnesota Statutes 1991 Supplement, sections 4A.02; 16A.15, subdivision 6; 16A.711, subdivision 4; 47.209; 69.021, subdivisions 5 and 6; 124A.23, subdivision 1; 256.025, subdivisions 3 and 4; 256E.05, subdivision 3; 256E.09, subdivision 6; 270A.04, subdivision 2; 270A.08, subdivision 2; 271.21, subdivision 6; 272.02, subdivision 1; 273.11, subdivision 1; 273.124, subdivisions 1, 6, 9, and 13; 273.13, subdivisions 22 and 25, as amended; 273.1398, subdivisions 5 and 7; 273.1399; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 5 and 6j; 276.04, subdivision 2; 277.17; 278.01, subdivision 1; 278.05, subdivision 6; 279.01, subdivision 1; 279.03, subdivision 1a; 281.17; 289A.20, subdivisions 1 and 4; 289A.26, subdivisions 1 and 6; 290.01, subdivisions 19 and 19a; 290.06, subdivision 23; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1; 290.92, subdivision 23; 290A.04, subdivision 2h; 297A.01, subdivision 3; 297A.135, subdivision 1, and by adding a subdivision; 297A.21, subdivision 4; 297A.25, subdivision 12, as amended; 375.192, subdivision 2; 423A.02, subdivision 1a; and 477A.011, subdivisions 27 and 29; Laws 1971, chapter 773, sections 1, subdivision 2, as amended; and 2, as amended; Laws 1990, chapter 604, article 6, section 11; Laws 1991, chapter 291, articles 1, section 65; 2, section 3; and 7, section 27; proposing coding for new law in Minnesota Statutes, chapters 13; 60A; 207A; 216B; 268; 275; 289A; 290A; 297; 297A; 473F; and 477A; repealing Minnesota Statutes 1990, sections 60A.15, subdivision 6; 134.342, subdivisions 2 and 4; 268.6751, subdivision 2; 289A.12, subdivision 1; 290.48, subdivision 7; 297.32, subdivision 7; and 414.031, subdivision 5; Minnesota Statutes 1991 Supplement, sections 271.04, subdivision 2; 273.124, subdivision 15; 295.367; and 477A.03, subdivision 1.

Mr. Moe, R.D. moved that H.F. No. 2940 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

SUSPENSION OF RULES

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

CALENDAR

S.F. No. 2194: A bill for an act relating to governmental operations; authorizing two additional deputies in the state auditor's office; setting conditions for certain state laws; regulating payments; fixing local accounting procedures; prohibiting the use of pictures of elected officials for certain local government purposes; providing for investments and uses of public

facilities; requiring that airline travel credit accrue to the issuing body; amending Minnesota Statutes 1990, sections 6.02; 11A.24, subdivision 6; 13.76, by adding a subdivision; 15A.082, by adding a subdivision; 367.36, subdivision 1; 412.222; 471.49, by adding a subdivision; 471.66; 471.68, by adding a subdivision; 471.696; 471.697; 477A.017, subdivision 2; and 609.415, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 279; and 609; repealing Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Reichgott
Belanger	Dicklich	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
Berg	Frank	Kroening	Neuville	Spear
Berglin	Frederickson, D.J.	Laidig	Novak	Stumpf
Bernhagen	Frederickson, D.R.	Langseth	Olson	Terwilliger
Bertram	Gustafson	Larson	Pappas	Traub
Brataas	Halberg	Lessard	Pariseau	Vickerman
Chmielewski	Hottinger	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

S.F. No. 304: A bill for an act relating to commerce; authorizing local units of government to license the retail sale of tobacco; requiring a county to license the retail sale of tobacco under certain conditions; providing for mandatory suspension of licenses for sales to minors; amending Minnesota Statutes 1990, sections 461.12; 461.13; and 461.15; proposing coding for new law in Minnesota Statutes, chapter 461.

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:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Reichgott
Belanger	Dicklich	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
Berg	Frank	Kroening	Neuville	Spear
Berglin	Frederickson, D.J.	Laidig	Novak	Stumpf
Bernhagen	Frederickson, D.R.	Langseth	Olson	Terwilliger
Bertram	Gustafson	Larson	Pappas	Traub
Brataas	Halberg	Lessard	Pariseau	Vickerman
Chmielewski	Hottinger	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

S.F. No. 2236: A bill for an act relating to state government; changing the definition of a meeting of the legislature for purposes of the open meeting law; imposing standards and requirements of accountability on organizations

and agencies established by law, executive order, or action of a political subdivision acting alone or jointly with another political subdivision; amending Minnesota Statutes 1990, section 3.055, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 471.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Reichgott
Belanger	Dicklich	Johnston	Moe, R. D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
Berg	Frank	Kroening	Neuville	Samuelson
Berglin	Frederickson, D.J.	Laidig	Novak	Spear
Bernhagen	Frederickson, D.R.	Langseth	Olson	Stumpf
Bertram	Gustafson	Larson	Pappas	Terwilliger
Brataas	Halberg	Lessard	Pariseau	Traub
Chmielewski	Hottinger	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

H.F. No. 2063: A bill for an act relating to retirement; changing provisions governing reduced annuities from the public employees retirement association due to reemployment of annuitants; amending Minnesota Statutes 1990, section 353.37, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R. D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	Flynn	Kroening	Neuville	Spear
Berg	Frank	Laidig	Novak	Stumpf
Berglin	Frederickson, D.J.	Langseth	Olson	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	Pappas	Traub
Bertram	Gustafson	Lessard	Pariseau	Vickerman
Brataas	Halberg	Luther	Piper	Waldorf
Chmielewski	Hottinger	Marty	Pogemiller	
Cohen	Johnson, D.E.	McGowan	Price	
Dahl	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

H.F. No. 2438: A bill for an act relating to retirement; individual retirement account plan; expanding plan coverage to include certain higher education employees; amending Minnesota Statutes 1990, sections 136.88, subdivision 1; 352C.033; 352D.02, subdivisions 1 and 1a; 352D.03; 354B.01, subdivision 2, and by adding subdivisions; 354B.015; 354B.02, subdivisions 1, 4, and by adding subdivisions; 354B.03, by adding a subdivision; 354B.04, subdivision 1; and 354B.05, subdivision 1; Minnesota Statutes 1991 Supplement, section 354B.04, subdivision 2; repealing Laws 1986, chapter 458, section 36.

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:

Adkins	Davis	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	Flynn	Kroening	Neuville	Samuelson
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2017: A bill for an act relating to utilities; defining the term excavation; authorizing land surveyors to receive location information related to underground facilities; requiring notice of land surveys; clarifying authority of commission to reinstate original rate for a telephone service subject to emerging competition on finding proposed rate is below incremental cost or is not just and reasonable; requiring commission to make final decision within 180 days on rate increase of telephone service subject to effective competition, when contested case hearing is not held; providing for telephone company promotion activities; authorizing the recording of monuments on plats before actual placement; amending Minnesota Statutes 1990, sections 216D.01, subdivision 8, and by adding subdivisions; 216D.04; 237.60, subdivision 2; 465.79, subdivisions 2 and 4; 505.02, subdivision 1; and 505.03, subdivision 1; Minnesota Statutes 1991 Supplement, 216D.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 237.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ranum
Beckman	DeCramer	Johnson, J.B.	Metzen	Reichgott
Belanger	Dicklich	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Finn	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Sams
Berg	Frank	Kroening	Neuville	Samuelson
Berglin	Frederickson, D.J.	Laidig	Novak	Spear
Bernhagen	Frederickson, D.R.	Langseth	Olson	Stumpf
Bertram	Gustafson	Larson	Pappas	Terwilliger
Brataas	Halberg	Lessard	Pariseau	Traub
Chmielewski	Hottinger	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	

So the bill passed and its title was agreed to.

S.F. No. 2196: A bill for an act relating to human services; providing for notice to vendors when payments on behalf of a recipient will be reduced

or terminated; limiting the liability of the state and county for damages claimed by vendors due to failure of a recipient to pay for rent, goods, or services; amending Minnesota Statutes 1990, section 256.81.

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:

Adkins	DeCramer	Johnson, J.B.	Metzen	Reichgott
Beckman	Dicklich	Johnston	Moe, R.D.	Renneke
Belanger	Finn	Kelly	Mondale	Riveness
Benson, D.D.	Flynn	Knaak	Morse	Sams
Benson, J.E.	Frank	Kroening	Neuville	Samuelson
Berg	Frederickson, D.J.	Laidig	Novak	Spear
Berglin	Frederickson, D.R.	Langseth	Olson	Stumpf
Bernhagen	Gustafson	Larson	Pappas	Terwilliger
Bertram	Halberg	Lessard	Pariseau	Traub
Chmielewski	Hottinger	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2556: A bill for an act relating to education; including in the PER policy a procedure for parents to review the content of instructional materials; entitling the PER report the "Annual Report on Curriculum and Student Performances"; including in the PER report information about curriculum advisory committee membership; amending Minnesota Statutes 1990, section 126.666, subdivisions 1 and 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hottinger	Lessard	Renneke
Beckman	Davis	Hughes	McGowan	Riveness
Belanger	DeCramer	Johnson, D.J.	Mehrkens	Sams
Benson, D.D.	Dicklich	Johnson, J.B.	Metzen	Samuelson
Benson, J.E.	Finn	Johnston	Moe, R.D.	Solon
Berg	Frank	Knaak	Neuville	Stumpf
Bernhagen	Frederickson, D.J.	Kroening	Olson	Terwilliger
Bertram	Frederickson, D.R.	Laidig	Pariseau	Vickerman
Brataas	Gustafson	Langseth	Ranum	Waldorf
Chmielewski	Halberg	Larson	Reichgott	

Those who voted in the negative were:

Berglin	Johnson, D.E.	Mondale	Pappas	Spear
Cohen	Luther	Morse	Piper	Traub
Flynn	Marty	Novak	Price	

So the bill passed and its title was agreed to.

S.F. No. 2599: A bill for an act relating to retirement; Columbia Heights paid firefighters and police relief associations; authorizing the termination of the firefighters relief association; providing a procedure for the conversion of retirement benefits for the active and retired membership; continuing certain state aid payments; exclusions from salary in computing police relief association retirement benefits; amending Laws 1965, chapter 605, sections

5, 16, 18 and 31; Laws 1975, chapter 424, section 13; and Laws 1977, chapter 374, sections 8, subdivision 1, 39, 40, 45, 47, 49, 51, as amended, and 54; repealing Laws 1965, chapter 605, sections 1, 2, 4, 5, 7, 8, 9, 10, 11, 13, 14, 15, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, and 30; Laws 1975, chapter 424, sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, and 12; Laws 1977, chapter 374, sections 38, 48, 52, 53, 56, 57, 58, and 59; Laws 1978, chapter 563, sections 29 and 30; Laws 1979, chapter 201, section 40; and Laws 1981, chapter 224, section 267.

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:

Adkins	Dicklich	Johnston	Moe, R.D.	Renneke
Belanger	Finn	Kelly	Mondale	Riveness
Benson, D.D.	Flynn	Knaak	Morse	Sams
Benson, J.E.	Frank	Kroening	Neuville	Samuelson
Berg	Frederickson, D.J.	Laidig	Novak	Solon
Berglin	Frederickson, D.R.	Langseth	Olson	Spear
Bernhagen	Gustafson	Larson	Pappas	Stumpf
Bertram	Halberg	Lessard	Pariseau	Terwilliger
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrken	Ranum	
DeCramer	Johnson, J.B.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 2608: A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; proposing coding for new law in Minnesota Statutes, chapter 325G.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Moe, R.D.	Riveness
Beckman	Finn	Knaak	Mondale	Sams
Benson, D.D.	Flynn	Kroening	Morse	Samuelson
Benson, J.E.	Frank	Laidig	Novak	Solon
Berg	Frederickson, D.J.	Langseth	Olson	Spear
Berglin	Gustafson	Larson	Pariseau	Stumpf
Bernhagen	Halberg	Lessard	Piper	Traub
Bertram	Hottinger	Luther	Pogemiller	Vickerman
Chmielewski	Hughes	Marty	Price	
Cohen	Johnson, D.E.	McGowan	Ranum	
Dahl	Johnson, D.J.	Mehrken	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

Mr. Belanger, Ms. Johnston, Messrs. Terwilliger and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 2940 be taken from the table. The motion prevailed.

H.F. No. 2940: A bill for an act relating to the financing and operation of government in Minnesota; changing the funding and payment of certain aids to local governments; modifying the administration, computation, collection, and enforcement of taxes and refunds; changing tax rates, bases, credits, exemptions, and payments; reducing the amount in the budget and cash flow reserve account; updating references to the Internal Revenue Code; changing certain bonding provisions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, and watershed districts; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 60A.19, subdivision 6; 103B.241; 103B.335; 103F.221, subdivision 3; 124.2131, subdivision 1; 174.27; 268.672, by adding subdivisions; 268.6751, subdivision 1; 268.676, subdivision 1; 268.677, subdivisions 1 and 2; 268.681, subdivisions 1, 2, and 3; 268.682, subdivisions 1, 2, and 3; 270.075, subdivision 1; 270A.05; 270A.07, subdivisions 1 and 2; 270A.11; 270B.01, subdivision 8; 271.06, subdivision 7; 272.115; 273.11, by adding subdivisions; 273.13, subdivision 24; 273.135, subdivision 2; 274.19, subdivision 8; 274.20, subdivisions 1, 2, and 4; 278.01, subdivision 2; 278.02; 282.01, subdivision 7; 282.012; 282.09, subdivision 1; 282.241; 282.36; 289A.25, by adding a subdivision; 289A.26, subdivisions 3, 4, 7, and 9; 289A.50, subdivision 5; 290.05, subdivision 4; 290.06, by adding a subdivision; 290.091, subdivision 6; 290.0922, subdivision 2; 290.9201, subdivision 11; 290.923, by adding a subdivision; 290A.03, subdivision 8; 290A.19; 290A.23; 297A.01, by adding a subdivision; 297A.02, by adding a subdivision; 297A.14, subdivision 1; 297A.15, subdivisions 5 and 6; 297A.25, subdivisions 11, 45, and by adding subdivisions; 297B.01, subdivision 8; 327C.01, by adding a subdivision; 327C.12; 373.40, subdivision 7; 383.06; 383B.152; 398A.06, subdivision 2; 401.02, subdivision 3; 401.05; 414.0325, by adding a subdivision; 414.033, subdivisions 2, 3, 5, and by adding a subdivision; 462A.22, subdivision 1; 469.107, subdivision 2; 469.153, subdivision 2; 469.177, subdivision 1a; 471.571, subdivision 2; 473.388, subdivision 4; 473.446, subdivision 1; 473.711, subdivision 2; 473H.10, subdivision 3; 477A.013, subdivision 5; 477A.015; 477A.12; 477A.13; 488A.20, subdivision 4; 541.07; and 641.24; Minnesota Statutes 1991 Supplement, sections 4A.02; 16A.15, subdivision 6; 16A.711, subdivision 4; 47.209; 69.021, subdivisions 5 and 6; 124A.23, subdivision 1; 256.025, subdivisions 3 and 4; 256E.05, subdivision 3; 256E.09, subdivision 6; 270A.04, subdivision 2; 270A.08, subdivision 2; 271.21, subdivision 6; 272.02, subdivision 1; 273.11, subdivision 1; 273.124, subdivisions 1, 6, 9, and 13; 273.13, subdivisions 22 and 25, as amended; 273.1398, subdivisions 5 and 7; 273.1399; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 5 and 6j; 276.04, subdivision 2; 277.17; 278.01, subdivision 1; 278.05, subdivision 6; 279.01, subdivision 1; 279.03, subdivision 1a; 281.17; 289A.20, subdivisions 1 and 4; 289A.26, subdivisions 1 and 6; 290.01, subdivisions 19 and 19a; 290.06, subdivision 23; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1; 290.92, subdivision 23; 290A.04, subdivision 2h; 297A.01, subdivision 3; 297A.135, subdivision 1, and by adding a subdivision; 297A.21, subdivision 4; 297A.25, subdivision 12, as amended; 375.192, subdivision 2; 423A.02, subdivision 1a; and 477A.011, subdivisions 27 and 29; Laws 1971, chapter 773, sections 1, subdivision 2, as

amended; and 2, as amended; Laws 1990, chapter 604, article 6, section 11; Laws 1991, chapter 291, articles 1, section 65; 2, section 3; and 7, section 27; proposing coding for new law in Minnesota Statutes, chapters 13; 60A; 207A; 216B; 268; 275; 289A; 290A; 297; 297A; 473F; and 477A; repealing Minnesota Statutes 1990, sections 60A.15, subdivision 6; 134.342, subdivisions 2 and 4; 268.6751, subdivision 2; 289A.12, subdivision 1; 290.48, subdivision 7; 297.32, subdivision 7; and 414.031, subdivision 5; Minnesota Statutes 1991 Supplement, sections 271.04, subdivision 2; 273.124, subdivision 15; 295.367; and 477A.03, subdivision 1.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2940 and that the rules of the Senate be so far suspended as to give H.F. No. 2940 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2940 was read the second time.

Mr. Johnson, D.J. moved to amend H.F. No. 2940 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2940, and insert the language after the enacting clause, and the title, of S.F. No. 2755, the second engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Pages 176 and 177, delete section 1 and insert:

“Section 1. [STATE COLLECTIONS.]

The attorney general and commissioners of finance and revenue shall review and evaluate the state's collection of debts and obligations. The attorney general and the commissioners shall identify improvements in the systems, procedures, and policies that are appropriate for the state's fair and efficient collection of debts and obligations, including but not limited to policies, procedures, and systems to govern the timing and circumstances whereby debts and obligations are collected.

By September 1, 1992, the attorney general and the commissioners shall report their recommendations to the legislative commission on planning and fiscal policy for identifying and improving the collection of debts and obligations. The commission may direct the establishment of a collections system, provide for transfer of information necessary for the collection of debts and obligations, and take other action to facilitate the fair and efficient collection of debts and obligations. Data transferred to the system are subject to Minnesota Statutes, section 13.03, subdivision 4. The attorney general and the commissioners may publish a request for proposals that provides that initial staffing and operating costs of the collections system be advanced by a contractor to the state.

Money collected by the system from delinquent accounts receivable is appropriated to the agency or agencies which operate the system to pay the costs of the system's establishment and operation. Collections in excess of

these costs must be credited to the accounts to which they are due. After the start-up costs have been recovered, operating costs must not exceed 25 percent of the amounts collected."

Amend the title accordingly

Mr. Merriam moved to amend the Pogemiller amendment to H.F. No. 2940 as follows:

Page 2, delete lines 5 to 11

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

The question recurred on the Pogemiller amendment. The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 114, after line 13, insert:

"Sec. 10. Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a, is amended to read:

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

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

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

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

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

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

(5) *the amount of the personal exemption reduction as provided under section 290.0803.*

Sec. 11. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

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

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

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

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

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

(5) income as provided under section 290.0802;

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

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

(8) *the amount by which the taxpayer's personal exemption amount is reduced under section 151(d)(3) of the Internal Revenue Code.*"

Page 115, after line 13, insert:

"Sec. 13. Minnesota Statutes 1991 Supplement, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code of 1986 as amended through December 31, 1989, must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$19,910, 6 percent;
- (2) On all over \$19,910, but not over \$79,120, 8 percent;
- (3) On all over \$79,120, *but not over \$150,000*, 8.5 percent;
- (4) *On all over \$150,000, 10 percent.*

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$13,620, 6 percent;
- (2) On all over \$13,620, but not over \$44,750, 8 percent;
- (3) On all over \$44,750, *but not over \$102,600*, 8.5 percent;
- (4) *On all over \$102,600, 10 percent.*

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$16,770, 6 percent;
- (2) On all over \$16,770, but not over \$67,390, 8 percent;
- (3) On all over \$67,390, *but not over \$126,400*, 8.5 percent;
- (4) *On all over \$126,400, 10 percent.*

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth

in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1989, less the deduction allowed by section 217 of the Internal Revenue Code of 1986, as amended through December 31, 1990, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1990, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

Sec. 14. [290.0803] [PERSONAL EXEMPTION REDUCTION.]

In the case of any taxpayer whose adjusted gross income determined under section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1991, for the taxable year exceeds the threshold amount, the amount taken as a deduction for personal exemptions under section 151 of the Internal Revenue Code of 1986, as amended through December 31, 1991, prior to application of section 151(d)(3), shall be reduced by the applicable percentage. The amount determined under this section shall be added to federal taxable income under section 290.01, subdivision 19a, clause (5).

As used in this section, the term "applicable percentage" means two percentage points for each \$1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds the threshold amount. In the case of a married individual filing a separate return, the preceding sentence shall be applied by substituting "\$500" for "\$1,000." In no event shall the applicable percentage exceed 100 percent.

As used in this section, the term "threshold amount" means:

(1) \$100,000 in the case of a joint return or a surviving spouse as defined in section 2(a) of the Internal Revenue Code of 1986, as amended through December 31, 1991;

(2) \$83,350 in the case of a head of a household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991;

(3) \$66,650 in the case of an individual who is not married and who is not a surviving spouse or head of a household; and

(4) \$50,000 in the case of a married individual filing a separate return."

Page 117, line 14, after "10" insert "to 14"

Renumber the sections of article 5 in sequence and correct the internal references

Pages 122 and 123, delete section 9

Page 125, delete section 16

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. Johnson, D.J. imposed a call of the Senate for the balance of the proceedings on H.F. No. 2940. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 30 and nays 35, as follows:

Those who voted in the affirmative were:

Beckman	Dicklich	Hottinger	Metzen	Piper
Berglin	Finn	Johnson, J.B.	Mondale	Ranum
Chmielewski	Flynn	Kelly	Morse	Sams
Cohen	Frank	Kroening	Neuville	Solon
Davis	Frederickson, D.J.	Luther	Novak	Vickerman
DeCramer	Frederickson, D.R.	Marty	Pappas	Waldorf

Those who voted in the negative were:

Adkins	Brataas	Johnston	Mehrkens	Renneke
Belanger	Dahl	Knaak	Moe, R.D.	Riveness
Benson, D.D.	Gustafson	Laidig	Olson	Samuelson
Benson, J.E.	Halberg	Langseth	Pariseau	Spear
Berg	Hughes	Larson	Pogemiller	Stumpf
Bernhagen	Johnson, D.E.	Lessard	Price	Terwilliger
Bertram	Johnson, D.J.	McGowan	Reichgott	Traub

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

Mr. Johnson, D.J. moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 2, line 51, after "each" insert "*intergovernmental aid*"

Page 3, line 7, delete "*clause*" and insert "*paragraph*"

Page 4, line 15, after "7" insert ", *paragraph (a)*"

Page 4, line 22, delete "\$2,274,000" and insert "\$978,000"

Page 4, line 28, delete "*corrections equalization formula*" and insert "*county corrections aid*"

Page 4, line 32, after "*formula*" insert "*under section 401.10,*"

Page 5, line 19, delete "*and*"

Page 5, line 21, after "1993" insert "; *and*

(10) in fiscal year 1994 and subsequent years, \$1,000,000 annually for payment of state aid to local police and salaried firefighter relief associations under section 423A.02, subdivision 1a. Payments shall cease when the unfunded accrued liabilities of the associations are fully amortized"

Page 9, line 28, after "entity" insert ", *except aid provided under subdivisions 4 and 5,*"

Page 9, line 33, after the comma, insert "*and an amount sufficient to pay the aids and credits under subdivisions 4 and 5 for school districts, intermediate school districts, or any group of school districts levying as a single taxing entity*"

Page 11, line 24, after "*reported*" insert "*as of June 1*"

Page 12, line 1, delete "*July 20*"

Page 12, delete line 2 and insert "*the dates provided for payment of aids under section 477A.015*"

Page 14, line 28, delete "*errors*" and insert "*error*"

Page 35, lines 20 to 34, delete the new language and reinstate the stricken language

Page 40, lines 24 to 27, delete the new language and reinstate the stricken language

Page 41, line 1, reinstate the stricken language

Page 41, line 2, delete the new language

Page 41, line 3, delete "*of*" and insert "*defined in*"

Page 43, delete lines 16 to 24 and insert:

"(c) "*Low- and moderate-income families*" means individuals or families with 100 percent or less of area median gross income."

Page 43, line 25, before "*A*" insert "*With regard to buildings, the construction of which had been commenced after December 31, 1982; or the project of which the building was a part was approved by the governing body of the municipality in which it is located subsequent to June 29, 1983; or financing of the project had been approved by a federal or state agency subsequent to June 29, 1983,*"

Page 89, line 5, delete "*year preceding that*" and insert "*payable year*"

Page 89, delete lines 32 and 33

Page 90, lines 2 and 3, strike "*unique*"

Page 90, line 4, delete "*certified*"

Page 90, line 7, delete "*plus the net tax capacity*"

Page 90, line 8, delete the new language and strike "*The aid shall be allocated to*"

Page 90, strike lines 9 to 11 and insert "*Except for education districts and secondary cooperatives that receive revenue according to section 124.2721 or 125.575, payment will not be made to any taxing jurisdiction that has ceased to levy a property tax.*"

Page 105, line 10, delete "*29, and*" and insert "*14, 15, and 28 to*"

Page 105, line 11, delete "*26, and 27*" and insert "*25, and 26*"

Page 105, line 13, delete "*5*" and insert "*4*"

Page 105, line 15, delete "*and 6*" and insert "*, 5 to 7, and 13*"

Page 105, line 21, delete "*17 and 19*" and insert "*16 to 18*"

Page 105, line 23, after the period, insert "*Section 19 is effective for*

costs incurred after June 30, 1992. Section 20 is effective July 1, 1982, and thereafter. Section 21 is effective June 1, 1990, and thereafter, provided further that no refunds of overpayments and no collection of underpayments will be made for fees paid prior to June 1, 1990." and delete "23" and insert "22"

Page 105, line 24, delete "24" and insert "23"

Page 105, line 25, delete "25" and insert "24"

Page 122, after line 6, insert:

"Sec. 9. Minnesota Statutes 1990, section 297A.25, subdivision 7, is amended to read:

Subd. 7. [PETROLEUM PRODUCTS.] The gross receipts from the sale of and storage, use or consumption of the following petroleum products are exempt:

(1) products upon which a tax has been imposed and paid under the provisions of chapter 296, and no refund has been or will be allowed because the buyer used the fuel for nonhighway use, ~~or~~

(2) products which are used in the improvement of agricultural land by constructing, maintaining, and repairing drainage ditches, tile drainage systems, grass waterways, water impoundment, and other erosion control structures; *or*

(3) *products purchased by a transit system receiving financial assistance under section 174.24 or 473.384."*

Page 122, line 19, after "hospitals," insert "*municipally owned ambulance services licensed under chapter 144 and operated by volunteers,*"

Page 122, line 20, after the period, insert "*As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, including, without limitation, school districts, intermediate school districts, education districts, educational cooperative service units, secondary vocational cooperative centers, special education cooperatives, joint purchasing cooperatives, telecommunication cooperatives, regional management information centers, technical colleges, joint vocational technical districts, and any instrumentality of a school district, as defined in section 471.59."*

Page 123, line 4, after "sections" insert "*115A.69, subdivision 6, 116A.25, 360.035,*" and after "*458A.30,*" insert "*458D.23, 469.101, subdivision 2, 469.127,*" and delete "*or*" and after "*473.448*" insert "*, 473.545, or 473.608"*

Page 124, line 17, delete "*to the extent of the*"

Page 124, line 18, delete "*exemption provided*" and insert "*if the vehicles are not subject to taxation*"

Page 137, after line 20, insert:

"Sec. 25. Laws 1953, chapter 560, section 2, subdivision 3, is amended to read:

Subd. 3. [TAX ORDINANCE; AMENDMENT, REPEAL.] An ordinance adopted as heretofore provided in this act may be repealed or amended in the following manner: A petition signed by not less than two thousand (2,000) qualified electors of the city demanding repeal of the ordinance

shall be filed with the clerk. The petition shall identify the ordinance to be repealed by title, date of adoption and subject matter. The signatures to the petition need not all be appended to one paper, but each signer shall state his place of residence and street number. One of the signers of each such paper shall make oath that the statements therein made are true, as he believes, and that each signature to the paper appended is the genuine signature of the person whose signature it purports to be.

Within 10 days from the date of filing such petition, the city clerk shall ascertain from the voters' register that the said petition is signed by the requisite number of qualified voters. The clerk shall attach to said petition his certificate, showing the result of said examination. If, by the clerk's certificate, the petition is shown to be insufficient, it may be amended within 10 days from the date of said clerk's certificate. The clerk shall, within 10 days after such amendment, make like examination of the amended petition, and if his certificate shall show the same to be insufficient it shall be returned to the person filing the same, without prejudice, however, to the filing of a new petition to the same effect. If the petition is deemed sufficient, the clerk shall submit the same to the council without delay. Within 10 days thereafter, the council shall provide for the submission to the electorate at the next general or special election held not less than 45 days thereafter of the question of repeal of the ordinance described in the petition. The question of repeal or amendment of said ordinance shall be submitted upon a separate ballot which shall summarize the substance of the ordinance proposed to be repealed or amended. If the majority of the electors voting upon the question vote in favor of the repeal of the ordinance, it shall be repealed or amended thereby effective on January 1 of the year next following. Such repeal shall not affect any right accrued, any duty imposed, any penalty incurred, or any proceeding commenced under or by virtue of the ordinance repealed. *If taxes levied under this section are pledged to or for the benefit of any bonds issued before January 1, 1993, then no pledge, mortgage, covenant, or agreement securing the bonds may be impaired, revoked, or amended by repeal or amendment of the ordinance under this subdivision, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the city with respect to the bonds or with respect to bonds issued to refund those bonds have been fully discharged.* Any action or proceeding pending to enforce any right under the authority of the ordinance repealed shall and may be proceeded with and concluded under the ordinance in existence when the action or proceeding was instituted, notwithstanding the repeal of such ordinance."

Page 137, line 27, after the period, insert "*Sections 9 and 12 are effective for sales after May 31, 1992.*" and delete "9,"

Page 137, line 32, after the period, insert "*Section 25 is effective the day following final enactment, and upon approval by the governing body of the city of Duluth pursuant to Minnesota Statutes, section 645.021.*"

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Pages 23 to 26, delete sections 5 to 8

Renumber the sections of article 2 in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 22, Mr. Gustafson moved to be excused from voting on the Waldorf amendment. The motion prevailed.

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

The roll was called, and there were yeas 40 and nays 20, as follows:

Those who voted in the affirmative were:

Beckman	Finn	Langseth	Mondale	Riveness
Berg	Flynn	Larson	Morse	Sams
Berglin	Frank	Lessard	Neuville	Samuelson
Bertram	Hottinger	Luther	Piper	Spear
Cohen	Johnson, D.E.	Marty	Pogemiller	Stumpf
Dahl	Johnson, D.J.	Merriam	Price	Traub
Davis	Johnson, J.B.	Metzen	Ranum	Vickerman
DeCramer	Kroening	Moe, R.D.	Reichgott	Waldorf

Those who voted in the negative were:

Adkins	Bernhagen	Hughes	McGowan	Pariseau
Belanger	Brataas	Johnston	Mehrkens	Renneke
Benson, D.D.	Chmielewski	Knaak	Olson	Solon
Benson, J.E.	Halberg	Laidig	Pappas	Terwilliger

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Pages 133 and 134, delete section 22

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 35, as follows:

Those who voted in the affirmative were:

Beckman	Dahl	Johnston	Mehrkens	Price
Benson, D.D.	Finn	Laidig	Merriam	Reichgott
Berg	Flynn	Lessard	Morse	Riveness
Berglin	Frederickson, D.R.	Marty	Neuville	Vickerman
Bernhagen	Johnson, D.J.	McGowan	Piper	Waldorf

Those who voted in the negative were:

Adkins	Davis	Johnson, D.E.	Metzen	Renneke
Belanger	Dicklich	Johnson, J.B.	Moe, R.D.	Sams
Benson, J.E.	Frank	Kelly	Mondale	Samuelson
Bertram	Gustafson	Kroening	Novak	Solon
Brataas	Halberg	Langseth	Pappas	Spear
Chmielewski	Hottinger	Larson	Pogemiller	Terwilliger
Cohen	Hughes	Luther	Ranum	Traub

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

Mr. Benson, D.D. then moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 133, lines 8 and 11, after "to" insert "*one-half of*"

The motion prevailed. So the amendment was adopted.

Mr. Belanger moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 177, after line 33, insert:

"Sec. 3. Minnesota Statutes 1990, section 270.06, is amended to read:
270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses, at a time and place reasonable under the circumstances, to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to

the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even-numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) administer and enforce the assessment and collection of state taxes and, from time to time, make, publish, and distribute rules for the administration and enforcement of state tax laws. The rules have the force of law;

(14) prepare blank forms for the returns required by state tax law and distribute them throughout the state, furnishing them subject to charge on application;

(15) prescribe rules governing the qualification and practice of agents, attorneys, or other persons representing taxpayers before the commissioner. The rules may require that those persons, agents, and attorneys show that

they are of good character and in good repute, have the necessary qualifications to give taxpayers valuable services, and are otherwise competent to advise and assist taxpayers in the presentation of their case before being recognized as representatives of taxpayers. After due notice and opportunity for hearing, the commissioner may suspend and disbar from further practice before the commissioner any person, agent, or attorney who is shown to be incompetent or disreputable, who refuses to comply with the rules, or who with intent to defraud, willfully or knowingly deceives, misleads, or threatens a taxpayer or prospective taxpayer, by words, circular, letter, or by advertisement. This clause does not curtail the rights of individuals to appear in their own behalf or partners or corporations' officers to appear in behalf of their respective partnerships or corporations;

(16) appoint agents as the commissioner considers necessary to make examinations and determinations. The agents have the rights and powers conferred on the commissioner to examine books, records, papers, or memoranda, subpoena witnesses, administer oaths and affirmations, and take testimony. Upon demand of an agent, the clerk or court administrator of any court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, or memoranda before the agent. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter shall be punished by the district court of the district in which the subpoena is issued, or in the case of a subpoena issued by the commissioner, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of the district court;

(17) appoint and employ additional help, purchase supplies or materials, or incur other expenditures in the enforcement of state tax laws as considered necessary. The salaries of all agents and employees provided for in this chapter shall be fixed by the appointing authority, subject to the approval of the commissioner of administration;

(18) execute and administer any agreement with the secretary of the treasury of the United States or a representative of another state regarding the exchange of information and administration of the tax laws;

~~(19) administer and enforce the provisions of sections 325D.30 to 325D.42, the Minnesota unfair cigarette sales act;~~

~~(20)~~ authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority; and

~~(24)~~ (20) exercise other powers and perform other duties required of or imposed upon the commissioner of revenue by law."

Page 181, after line 8, insert:

"Sec. 8. Minnesota Statutes 1990, section 297.04, subdivision 9, is amended to read:

Subd. 9. [REVOCAION.] The commissioner may revoke, cancel, or suspend the license or licenses of any distributor or subjobber for violation of sections 297.01 to 297.13, or any other act applicable to the sale of cigarettes, or any rule promulgated by the commissioner, and may also revoke any such license or licenses of any distributor or subjobber for the violation of sections 297.31 to 297.39, or any other act applicable to the sale of tobacco products, or any rule promulgated by the commissioner in furtherance of sections 297.31 to 297.39. ~~The commissioner may revoke,~~

~~cancel, or suspend the license or licenses of any distributor or subjobber for violation of sections 325D.31 to 325D.42.~~

No license shall be revoked, canceled, or suspended except after notice and a hearing by the commissioner as provided in section 297.09.

Sec. 9. Minnesota Statutes 1990, section 297.06, subdivision 3, is amended to read:

Subd. 3. [RETAILER AND SUBJOBBER TO PRESERVE PURCHASE INVOICES.] Every retailer and subjobber shall procure itemized invoices of all cigarettes purchased. The invoices shall show the name and address of the seller and the date of purchase. The retailer and subjobber shall preserve a legible copy of each such invoice for one year from the date of purchase.

At any time during normal business hours, the commissioner or the commissioner's agents may enter any place of business of a retailer or subjobber and inspect the premises, the records required to be kept for this subdivision, and the packages of cigarettes, tobacco products, and vending devices contained on the premises to determine whether all provisions of this chapter ~~and sections 325D.30 to 325D.40~~ are being fully complied with."

Page 183, after line 6, insert:

"Sec. 12. [REPEALER.]

Minnesota Statutes 1990, sections 325D.30; 325D.31; 325D.32, as amended by Laws 1991, chapter 291, article 9, section 43; 325D.33; 325D.34; 325D.35; 325D.36; 325D.37; 325D.38; 325D.39; 325D.40; 325D.415; 325D.42; and Minnesota Statutes 1991 Supplement, section 325D.405, are repealed."

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Flynn	Johnston	Mehrkens	Reichgott
Benson, D.D.	Frank	Knaak	Neuville	Riveness
Benson, J.E.	Frederickson, D.R.	Laidig	Olson	Spear
Berglin	Gustafson	Luther	Pariseau	Terwilliger
Bernhagen	Halberg	Marty	Piper	Traub
Brataas	Hottinger	McGowan	Ranum	

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Morse	Solon
Beckman	Finn	Langseth	Novak	Stumpf
Berg	Frederickson, D.J.	Larson	Pappas	Vickerman
Bertram	Hughes	Lessard	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Merriam	Price	
Cohen	Johnson, D.J.	Metzen	Renneke	
Davis	Johnson, J.B.	Moe, R.D.	Sams	
DeCramer	Kelly	Mondale	Samuelson	

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

Mr. Bernhagen moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 122, line 23, after the period, insert "*Sales of construction materials to political subdivisions for use in major capital improvement projects are exempt, subject to the requirements of this subdivision. As used in this subdivision, a "major capital improvement project" is a project to build a facility, building, or system of public works for which total expenditures exceed \$500,000, but does not include construction of roads.*"

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

Mr. Metzen moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 158, after line 5, insert:

"For purposes of this section, "designated county" means a county designated by the commissioner of trade and economic development as provided under this section and a city of the second class that is designated as an economically depressed area by the United States Department of Commerce."

Page 158, lines 30 and 32, delete "\$100,000" and insert "\$200,000"

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 183, after line 6, insert:

"Sec. 9. Minnesota Statutes 1991 Supplement, section 611.27, subdivision 7, is amended to read:

Subd. 7. [PUBLIC DEFENDER SERVICES; RESPONSIBILITY.] Notwithstanding subdivision 4, the state's obligation for the costs of the public defender services is limited to the appropriations made to the board of public defense. ~~Services and expenses beyond those appropriated for shall be the responsibility of the counties within a judicial district. Expenses shall be distributed among the counties in proportion to their populations. Costs that are incurred by the board of public defense beyond that which is appropriated shall be presented to the legislative advisory commission for consideration."~~

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 42 and nays 17, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Johnson, J.B.	Metzen	Sams
Belanger	Finn	Johnston	Morse	Samuelson
Benson, D.D.	Flynn	Knaak	Novak	Solon
Benson, J.E.	Frank	Laidig	Olson	Stumpf
Berg	Frederickson, D.J.	Langseth	Pappas	Terwilliger
Berglin	Frederickson, D.R.	Larson	Pariseau	Vickerman
Bernhagen	Gustafson	Lessard	Price	
Bertram	Halberg	McGowan	Reichgott	
Chmielewski	Johnson, D.E.	Mehrkins	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Luther	Piper	Waldorf
Brataas	Hughes	Merriam	Pogemiller	
Cohen	Kelly	Mondale	Ranum	
Dahl	Kroening	Neuville	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 82, after line 16, insert:

“Sec. 6. Minnesota Statutes 1991 Supplement, section 273.13, subdivision 33, is amended to read:

Subd. 33. [UNIMPROVED PROPERTY.] Real property that is not improved with a structure and that is not used as part of ~~a~~ *an agricultural*, commercial, or industrial activity must be classified and assessed according to its highest and best use permitted under the local zoning ordinance. If the ordinance permits more than one use, the land must be classified and assessed according to the highest and best use permitted under the ordinance. If no such ordinance exists, the assessor shall consider the most likely potential use of the vacant land based upon the use made of surrounding land or land in proximity to the vacant land.”

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 27, line 19, after the period, insert “*Agricultural property that is classified as a homestead under this paragraph qualifies in its entirety as class 2a property.*”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Johnson, D.E.	Morse	Stumpf
Benson, D.D.	Chmielewski	Johnston	Neuville	Terwilliger
Benson, J.E.	Davis	Knaak	Olson	
Berg	Finn	Laidig	Pariseau	
Bernhagen	Frederickson, D.R.	Larson	Sams	
Bertram	Halberg	Mehrkins	Samuelson	

Those who voted in the negative were:

Adkins	Flynn	Kelly	Mondale	Reichgott
Beckman	Frank	Kroening	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Pappas	Traub
Cohen	Gustafson	Lessard	Piper	Vickerman
Dahl	Hughes	Luther	Pogemiller	Waldorf
DeCramer	Johnson, D.J.	Merriam	Price	
Dicklich	Johnson, J.B.	Metzen	Ranum	

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

Mr. Neuville moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Pages 157 and 158, delete section 1

Page 176, delete lines 13 and 14

Renumber the sections of article 8 in sequence and correct the internal references

Amend the title accordingly

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

Mr. Novak moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 183, after line 15, insert:

“ARTICLE 10

TAX INCREMENT FINANCING

Section 1. [FINDINGS; PURPOSE.]

The legislature finds that historical uses of properties within or adjacent to certain geographic areas within Minnesota communities have contributed to the known or suspected contamination of the areas, that the known or suspected contamination of these geographic areas is significant and widespread, that the welfare of the state requires environmentally sound remediation of contaminated sites, that certain of the contaminated geographic areas can be made suitable for development if contaminants are removed but that the areas cannot be developed for any purpose unless remediation is undertaken or ensured, and that the remediation and development of the contaminated geographic areas are public purposes in the interests of environmental quality, contamination management and disposal, and economic development, for which the expenditure of public funds and the exercise of the powers provided in sections 2 to 10 are authorized and in the public interest.

It is not the intent of sections 2 to 10 to reduce, alter, or modify the liability under Minnesota or federal environmental law of a responsible person as defined in Minnesota Statutes, section 115B.03.

Sec. 2. [469.301] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] As used in sections 2 to 10, the terms defined in this section have the meanings given them.

Subd. 2. [ADDITIONAL TAX INCREMENT.] "Additional tax increment" means the tax increment received by the city which is derived from any reduction of the original net tax capacity of property within the area under section 5, paragraph (e).

Subd. 3. [AGENCY.] "Agency" means the Minnesota pollution control agency.

Subd. 4. [AREA.] "Area" means a special environmental treatment area established under section 3.

Subd. 5. [CITY.] "City" means an "authority" as defined in section 469.174, subdivision 2, a "municipality" as defined in section 469.174, subdivision 6, a county, or a housing and redevelopment authority, port authority, economic development authority, or a similar authority created under a special law.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of the agency.

Subd. 7. [CONTAMINATION.] "Contamination" means the presence or possible presence on, within, or otherwise affecting the area, or properties adjacent to the area if suspected of being a contributing source of contamination of the area, of:

(1) a substance defined as a "hazardous substance" or "toxic substance" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, United States Code, title 42, section 9061, et seq.;

(2) a substance defined as a "hazardous substance," "hazardous waste," or "pollutant or contaminant" in section 115B.02; or

(3) another substance or contaminant whose removal or remediation is necessary to the development of the area; provided that the presence of petroleum or its derivatives in a parcel shall not be contamination.

Subd. 8. [DISTRICT.] "District" means a tax increment financing district established within an area as authorized by sections 2 to 10.

Subd. 9. [ELIGIBLE COSTS.] "Eligible costs" means the costs eligible for payment from tax increments as provided in section 7.

Subd. 10. [ELIGIBLE PERSON.] "Eligible person" means a person who did not own, use, occupy, or contribute to the contamination in, or provide financing with respect to, a contaminated parcel before the date of inclusion in an area of the eligible site which includes the contaminated parcel.

Subd. 11. [ELIGIBLE SITE.] "Eligible site" means one or more parcels which satisfy the criteria stated in section 3, subdivision 4.

Subd. 12. [PLAN.] "Plan" or "area plan" means the plan required by section 3, as from time to time amended.

Subd. 13. [REMEDIATION.] "Remediation" means activity constituting "removal," "remedy," "remedial action," or "response" as those terms are defined in section 115B.02; environmental audits; pollution tests; demolition necessary to accomplish remediation; soil removal, correction, disposal, or compaction necessary to accomplish remediation; preparation and implementation of environmental response plans; administrative, legal, including litigation, and professional fees; and other activities reasonably related to the prevention or amelioration of contamination.

Subd. 14. [TAX INCREMENT.] "Tax increment" means the portion of property taxes derived from taxable property in a district that is allocated under the plan for payment of eligible costs, and the proceeds of tax increment bonds or other obligations payable in whole or in part from tax increments.

Subd. 15. [TAX INCREMENT BONDS.] "Tax increment bonds" means bonds or other obligations issued under section 8.

Subd. 16. [TAX INCREMENT FINANCING ACT.] "Tax increment financing act" means sections 469.174 to 469.179.

Sec. 3. [469.302] [ESTABLISHMENT OF SPECIAL ENVIRONMENTAL TREATMENT AREA.]

Subdivision 1. [ESTABLISHMENT OF AN AREA.] A city may establish an area only in compliance with the requirements of this section.

Subd. 2. [GEOGRAPHIC DESCRIPTION.] (a) A city establishing an area shall select eligible sites within its jurisdictional boundaries. Each eligible site must consist of parcels that contain contamination, or the inclusion of which is permitted by subdivision 4, paragraph (b). For the purposes of selection of eligible sites, the city may by resolution authorize testing of a parcel within the city to assess the presence of contamination or to discover facts relevant to whether the parcel should be included in the geographic area described in a plan to remediate present contamination or prevent future contamination, except that:

(1) the testing must not unreasonably interfere with the current activity occurring on a parcel being tested;

(2) at least ten days before the testing, the city shall provide written notice of the testing to the owner of record of the parcel, each other person with an interest in the parcel whose interest appears in the public land records of the county, and each other person occupying or using the parcel if the city has actual knowledge of the occupancy or use; and

(3) the city shall pay the cost of the testing and the cost of repair or restoration of any property destroyed or damaged by the testing, provided that the city may recover the cost of the testing and other costs from a person who is a responsible person with respect to the parcel tested, if otherwise permitted by law.

(b) A city may request the agency to supervise or provide oversight or provide technical expertise in connection with testing, and the agency may, but is not obligated to, comply with the request. The agency may exercise its powers under section 115B.17, subdivision 14, in connection with the testing. The agency shall, at its request, be reimbursed for its expenses including staff oversight from any funds available to pay eligible costs.

(c) The area must consist of all or some of the eligible sites identified. An area or an eligible site need not consist of contiguous parcels, but the parcels comprising an eligible site in addition to those which contain contamination may be included only as permitted by subdivision 4, paragraph (b). The city shall prepare or cause to be prepared a map showing all of the parcels to be included in the area. The area must also satisfy the requirements of subdivision 5.

Subd. 3. [AREA PLAN.] The city shall prepare a plan for the area that includes the geographic description and map prepared under subdivision

2. The plan must describe the proposed activities within the area to:

- (1) remediate existing contamination in accordance with the development action response plan required by subdivision 6;
- (2) prevent future contamination; and
- (3) cause development to occur within the area.

The plan must further estimate the source, amount, and uses of all tax increments and other funds to be used to pay for the activities described in the area plan. The plan must contain the findings required by subdivisions 4 and 5 and must provide sufficient detail to show the basis for the findings. The plan must include a tax increment financing plan under section 469.175, subdivision 1, for each district to be established under the plan, except that a tax increment financing plan may be for more than one district. The plan must describe the specific kinds of development expected to occur, and the increases in tax capacity expected to result from the development.

Subd. 4. [ELIGIBLE SITES.] (a) Each eligible site, or parcel included in an eligible site, as appropriate, must meet the requirements of paragraphs (b) to (e).

(b) The parcel must contain contamination, or be necessary for inclusion in the eligible site in order to prevent future contamination or remediate present contamination, or be necessary for inclusion in the eligible site in order to form a development site no larger than that necessary for development to occur on the site.

(c) For each parcel containing contamination, the city shall consider the seriousness of the contamination present in the parcel, the threat posed to the public health by the contamination, and the deterrent effect of the contamination on development of the eligible site which includes the contaminated parcel. The city shall submit a report describing the extent and magnitude of the contamination to the commissioner for approval.

(d) The city shall determine that the contamination present in the eligible site is unlikely to be remediated within five to ten years, or that development of the site is unlikely to occur within five to ten years even if remediation occurs because there is no indemnification against potential environmental liability, unless the city forms the area. In making this determination, the city shall consider the availability of funding for remediation from state and federal agencies and the availability and adequacy of the resources of responsible persons to remediate contamination.

(e) The city shall estimate the likelihood of development of the eligible site if the contamination is remediated and shall determine that development of the eligible site is likely to occur if the area is formed and the actions taken as proposed in the plan for the area.

Subd. 5. [AREA CRITERIA.] (a) In addition to the criteria for eligible sites stated in subdivision 4, each area must meet the requirements of paragraphs (b) and (c).

(b) The city must determine that either:

(1) for vacant land, or improved property if the improvements will be demolished prior to development, the estimated costs of remediating present contamination or preventing future contamination of the land within the eligible site are no less than \$15,000 times the number of acres included

in the eligible site; or

(2) for improved property if the improvements will not be demolished prior to development, the estimated costs of remediating present contamination or preventing future contamination of the land within the eligible site equal or exceed the fair market value of the property included in the eligible site at the time the eligible site is made part of the area; provided that if the fair market value of the property comprising the eligible site is \$200,000 or less, the estimated costs of remediation or prevention must exceed only 50 percent of the fair market value.

(c) The city must determine that establishment of the area, the environmental remediation and prevention activities described in the plan and, if applicable, the establishment of a guaranty or indemnification fund, are necessary to:

(1) allow development to occur on the parcels included in the area because of the reluctance of private parties to assume the risk of the cost of remediation of the contaminated parcels in the area; or

(2) cause the fair market value of the contaminated parcels included in the area to rise to the approximate fair market value of similar property available for development in the county and adjacent counties.

Subd. 6. [DEVELOPMENT ACTION RESPONSE PLAN.] The city may not establish an area or approve the plan for the area until a development action response plan as defined in section 469.174, subdivision 17, for each contaminated parcel has been submitted to the agency and the commissioner has approved or modified the development action response plan. The commissioner shall review each development action response plan and approve, modify, or reject the recommended actions within 90 days after submission of the plan or revised plan, provided that the commissioner has previously approved an investigation report under subdivision 4, paragraph (c), for the parcel proposed for response action under the plan. Only one contaminated parcel may be included in each development action response plan.

Subd. 7. [PLAN REVIEW AND APPROVAL.] (a) The city may not give final approval to the plan until the review, hearing, and approval procedures of this subdivision have been satisfied. The governing body of the city, or city officials designated by the governing body to act in its place, shall conduct a public hearing on the plan. Notice of the public hearing must be published in a newspaper of general circulation within the city at least once and at least 14 days before the public hearing. A copy of the proposed plan must be made available for public inspection on and after the date of publication of the notice of hearing during normal business hours at the principal administrative offices of the city. At the hearing, the city shall receive comments on the plan from all those who desire to speak about it, and shall accept comments submitted in writing at or before the hearing. The city shall also afford others a reasonable opportunity to comment on the plan at the hearing.

(b) Following the hearing, and any revisions to the plan based on the comments received by the city, the city shall submit the plan to the county and each school district whose jurisdictional boundaries include any part of the area. The county and school district have 30 days in which to review the plan and provide their comments to the city.

(c) Following receipt of comments from the county and school district, or the expiration of the 30-day comment period, the city shall revise the

proposed plan as the city determines appropriate, or as required by federal or state environmental protection laws. The city may then give final approval to the plan, and proceed with implementation of the plan.

Subd. 8. [MODIFICATIONS.] Following final approval of the plan, the city may eliminate parcels from the area but may not enlarge the area except to add eligible sites. Each enlargement must be evidenced by a written amendment to the plan. The amendment to the plan must comply with the requirements of subdivisions 2 to 7 as though it were a new plan. A development action response plan may be modified only with the approval of the commissioner.

Subd. 9. [EXTRATERRITORIAL AREA.] An area may include parcels outside the geographic boundaries of the city only if the city and the adjacent city or township have entered into an agreement of the type described in section 471.59, authorizing the city to exercise the powers granted under sections 2 to 10, subject to the conditions or limitations provided in the agreement. Tax increments derived from the parcels outside the boundaries of the city must be paid to the city unless otherwise provided in the agreement.

Subd. 10. [REAL PROPERTY.] A city may acquire real property or interests in real property in connection with the activities authorized by sections 2 to 10, subject to the following limitations:

(1) the real property must be located within the area;

(2) nothing in any contract or instrument executed by the city may relieve a responsible person from liability for remediation costs, nor indemnify or hold harmless a responsible person from remediation costs; and

(3) the terms and conditions of disposition of real property by the city may be determined by the city, except that the price received by the city, either in a lump sum or in installments, must be the fair market value of the real property at the time of disposition.

All proceeds of the disposition of real property are considered tax increment derived from the area and must be (a) applied to the payment of eligible costs or (b) returned to the county auditor for redistribution.

Sec. 4. [469.303] [STATUS OF AREA; POWERS OF THE CITY; INDEMNIFICATION FUND.]

Subdivision 1. [STATUS OF AREA.] The area constitutes a "project" of the city within the meaning of section 469.174, subdivision 8; an "industrial development district" as described in section 469.058, subdivision 1; a "project" as described in section 469.002, subdivision 12; and a "development district" as described in section 469.125, subdivision 9. Section 273.1399 does not apply to a district formed under sections 2 to 10.

Subd. 2. [POWERS OF THE CITY.] With respect to development of the area, the city may exercise all powers granted under sections 2 to 10 and all powers of or relating to a port authority, a housing and redevelopment authority, and an economic development authority under chapter 469 or other law. The city may establish within the area and modify from time to time one or more tax increment financing districts as provided in the area plan and the tax increment financing act, except as supplemented or otherwise provided under sections 2 to 10, and expend tax increments derived from the districts on eligible costs. The powers conferred by sections 2 to 10 are in addition to the powers conferred by other law or charter. Insofar as the provisions of any other law or charter are inconsistent with sections

2 to 10, the provisions of sections 2 to 10 are controlling.

Subd. 3. [GUARANTY OR INDEMNIFICATION FUND.] In addition to the powers otherwise granted under sections 2 to 10, a city may establish and maintain a guaranty or indemnification fund with respect to any contaminated parcel, or more than one such parcel, included within the area. Funds held in the guaranty or indemnification fund must be available, upon terms and conditions determined by the city through agreement or resolution, to an eligible person to indemnify and hold harmless the eligible person from liability for remediation costs arising under any state or federal environmental law, regulation, ruling, order, or decision with respect to the contaminated parcel or parcels by reason of the person's use, occupancy, ownership, or financing associated with the contaminated parcel. The city may not indemnify or hold harmless an eligible person from liability for contamination of a parcel caused by the eligible person. Tax increments derived from a district established as authorized in sections 2 to 10 and any other funds available to the city may be deposited in or otherwise used to secure payments from the guaranty or indemnification fund. Tax increments derived from a district established as authorized by the tax increment financing act may also be deposited in the guaranty or indemnification fund, notwithstanding any contrary provision of the tax increment financing act. The city is liable under the guaranty or indemnification only to the extent of funds available to secure payments from the guaranty or indemnification fund. The maximum amount payable from the guaranty or indemnification fund with respect to any eligible site must not exceed 50 percent of the cost of remediation of the contamination present in the contaminated parcels in the eligible site at the time of final approval of the plan, which amount may be inflated each year according to an appropriate inflation index selected by the city. The guaranty or indemnification fund must be held or maintained in or with a financial institution or corporate fiduciary eligible for the deposit of public money or eligible to act as a trustee or fiduciary for bonds or other obligations issued under chapter 475. The guaranty or indemnification fund must be held and maintained for the period agreed to by the city, except that tax increments may be deposited in the fund only during the period permitted by sections 2 to 10. Upon termination of the period of guaranty or indemnification all unexpended money then held in the guaranty or indemnification fund must be considered excess tax increments and returned to the county auditor for redistribution. Investment earnings, net of investment losses, on money held in the guaranty or indemnification fund may, at the option of the city, be retained in the fund or disbursed to the city and applied to other eligible costs. Tax increments used or pledged to secure payments from the guaranty or indemnification fund may be irrevocably pledged for that purpose, and neither filing nor possession is required to perfect the security interest created by the pledge.

Sec. 5. [469.304] [LIMITATIONS AND CONDITIONS.]

(a) A tax increment financing district established by a city under sections 2 to 10 is subject to the provisions of paragraphs (b) to (j).

(b) Request for certification of the district must be filed with the county auditor before December 1 of the year following the third year in which the city gives final approval to the plan. The city may by written notice to the county auditor elect to defer receipt of the first increment from a district until a year beginning not later than five years after the date of the request for certification. The election may be amended to provide an earlier year of payment of tax increment if the notice of the amendment is filed with the

county auditor.

(c) A tax increment from an eligible site may not be paid to the city after January 1 of the year that is 25 years after the year of receipt of the first tax increment from the eligible site.

(d) Section 469.1763 does not apply to the district. Tax increment must be expended or reserved for expenditure by the city only for eligible costs. Tax increment derived from a district may be applied to eligible costs incurred anywhere within the area.

(e) Concurrently with the original request for certification, or at any subsequent time during the life of a district within the area and established as provided in the plan, the city may elect in writing to the county auditor to reduce the original net tax capacity of an eligible site, selected by the city, by up to 100 percent. All additional tax increment derived from the reduction must be expended only for the costs of remediation of contaminated parcels within the eligible site, or to make deposits in a guaranty or indemnification fund. When the city has received sufficient amounts of additional tax increment and other funds to pay or to provide for payment of all present and future remediation costs and required deposits in a guaranty or indemnification fund, whether or not the city's undertaking to pay the costs is contingent, the city shall within 60 days notify the county auditor of this occurrence and shall treat all additional tax increment which exceeds the requirements as excess tax increment. The city shall return the excess tax increment to the county auditor for redistribution, and the county auditor shall then increase the original net tax capacity of each district within the area then benefiting from the reduction made under this paragraph to the original net tax capacity that would at the time prevail had no reduction been made. The reduction of the original net tax capacity permitted by this paragraph may be made only upon findings by the city, supported by written reasons or facts, that:

(1) the eligible site contains significant contamination;

(2) the development of the district would not reasonably be expected to occur through private investment and tax increment otherwise available; and

(3) the reduction in the original net tax capacity is not greater than, and the period of receipt by the city of the increased tax increment arising from the reduction is not longer than, the amount and time necessary to provide the additional tax increment required for remediation of the eligible site as set forth in the plan and the development action response plan for the eligible site, or to make required deposits in a guaranty or indemnification fund.

(f) The city shall decertify a district upon receipt of sufficient tax increment from the district to pay, or to provide for the payment of, all of the eligible costs respecting the district. The city shall treat all tax increment that exceeds the requirements as excess tax increment. The city shall return the excess tax increment to the county auditor for redistribution.

(g) In establishing or modifying a district included in the area and established under the plan, section 469.175, subdivisions 1, clauses (1), (3), (4), and (7); 1a; 3; and 7, do not apply and the findings otherwise required by section 469.175, subdivision 3, are not required, except that the city shall make the finding, supported by the city with written reasons and supporting facts, that the action is reasonably required in the judgment of the city in furtherance of the development of the area.

(h) *The following provisions of the tax increment financing act do not apply to a district formed under sections 2 to 10; sections 469.174, subdivisions 7, paragraphs (b) and (c); 16; and 17; 469.176, subdivisions 1, paragraphs (d), (e), and (g); 3; 4e; 5; 6; and 7; and 469.1762.*

(i) *A housing and redevelopment authority, port authority, economic development authority, or county may not exercise the powers granted by this chapter except upon the prior approval, by resolution, of the governing body of the statutory or home rule city or cities or township or townships included in whole or in part within the area established under section 3.*

(j) *Nothing in sections 2 to 10 or the tax increment financing act may be construed to prevent or preclude a city from establishing one or more tax increment districts under the tax increment financing act for any purpose permitted thereby, and a district may include all or some of an area or a district or an eligible site established under sections 2 to 10. Notwithstanding the provisions of the tax increment financing act, the city may allocate tax increments derived from districts established under the tax increment financing act to eligible costs under sections 2 to 10. Nothing in sections 2 to 10 or the tax increment financing act may be construed to prevent or preclude a city from establishing one or more tax increment districts under sections 2 to 10 for any purpose permitted in those sections, and any district established may include all or some of a district or project established under the tax increment financing act. Tax increments derived from a district established under sections 2 to 10 may be applied only to eligible costs, but if a district established under sections 2 to 10 and a district established under the tax increment financing act overlap, the city may allocate the tax increments derived from the overlapping area in any reasonable manner. The city shall provide to the county a written plan detailing how tax increments derived from overlapping tax increment districts are to be allocated between each district.*

Sec. 6. [469.305] [INTER-GOVERNMENTAL COOPERATION AND ASSISTANCE.]

The city, the agency, the attorney general, a city as defined in section 2, subdivision 5, and an agency of the state or the University of Minnesota may cooperate with one another and take individual or collective actions considered necessary or desirable to assist development and remediation within the area, including without limitation the preparation and execution of development action response plans, the rendering of legal and technical advice and other assistance, and the transfer of any of its properties within the area to the city or to other entities in furtherance of the development of the area. All properties so transferred by a state agency or the University of Minnesota shall, whenever included within a district within the area and established pursuant to the plan and notwithstanding any other provision of the tax increment financing act, have an original net tax capacity of zero.

Sec. 7. [469.306] [ELIGIBLE COSTS.]

For the purposes of sections 2 to 10, eligible costs mean all of the following:

(1) the cost to pay, or reimburse any person for the payment of, remediation costs;

(2) the cost of funding a guaranty or indemnification fund created as permitted by section 4, subdivision 3, and payments from the fund, and the

cost of paying the premiums on environmental liability insurance obtained by the city or by any other person with respect to real property within the area;

(3) the cost of paying the principal of and interest on bonds or other obligations of the city and associated costs or the cost of paying the interest on other bonds or other obligations or establishing and maintaining a reserve fund for the other bonds or other obligations, all as permitted by section 8;

(4) the cost of issuing bonds or other obligations payable from tax increments derived from an area and customary associated financing costs, including discount, capitalized interest, and interest on the obligations;

(5) the costs of acquisition of real property within the area;

(6) if necessary for remediation of contamination or prevention of future contamination, the cost of public infrastructure extensions and installations including water, sanitary and storm sewer, ponding and drainage improvements, including improvements located outside the boundaries of the area;

(7) staff oversight costs of the agency, the county's actual administrative expenses as provided in section 469.176, subdivision 4h, and the city's administrative expenses in an amount which does not exceed ten percent of the amount of tax increments and other funds applied to eligible costs;

(8) the costs of actions, including litigation, to recover remediation costs from responsible persons;

(9) the costs of other activities and improvements authorized by sections 2 to 10; and

(10) costs reasonably related to clauses (1) to (9).

All eligible costs are costs of a project for which tax increments and other public funds may be expended.

All costs are payable from tax increments.

Sec. 8. [469.307] [FINANCING.]

To finance eligible costs, the city may issue bonds or other obligations, payable in whole or in part from tax increments derived from districts created in accordance with section 469.178, and the use of tax increments to pay the principal of and interest on the bonds and other costs associated with the bonds is an eligible cost. The city may apply tax increments to pay all or part of the interest on bonds or other obligations issued by public or private entities to finance eligible costs incurred with respect to parcels within the area, or to establish or maintain reserve funds in connection with the bonds or other obligations.

Sec. 9. [469.308] [RELATIONSHIP TO TAX INCREMENT FINANCING ACT.]

Subdivision 1. [IN GENERAL.] To the extent that any provision of the tax increment financing act conflicts or is otherwise inconsistent with a provision of sections 2 to 10, the provisions of sections 2 to 10 apply. Nothing in sections 2 to 10 limits or prevents the exercise by the city of any power or authority it may have, and the city may, without limitation, in connection with the exercise of any power respecting development or the establishment of a tax increment financing district, elect not to use the authority granted in sections 2 to 10 and instead proceed under and subject to all of the terms

of the other applicable law, including all provisions of sections 469.174 to 469.179 with respect to a tax increment financing district.

Subd. 2. [GUARANTY OR INDEMNIFICATION FUND.] Notwithstanding any provision of the tax increment financing act to the contrary, an authority as defined in the tax increment financing act may amend the tax increment financing plan with respect to any district to permit the deposit of tax increments derived from the district, or the proceeds of bonds or other obligations payable from the tax increments, in a guaranty or indemnification fund created under this chapter if the amendment is approved on or before a date that is at least five years before the latest termination date of the district permitted by the tax increment financing act.

Sec. 10. [469.309] [RESPONSIBLE PERSONS.]

Subdivision 1. [NO INDEMNITY.] The city may not agree to indemnify or hold harmless a person other than an eligible person as defined in section 2, subdivision 10, from any losses, costs, or damages arising from the application of chapter 115B or other state or federal environmental law.

Subd. 2. [RECOVERY FROM RESPONSIBLE PERSONS.] Nothing in sections 2 to 10 may be construed to limit the authority of the city, the agency, the attorney general, and other appropriate state and federal environmental regulatory agencies or persons authorized to enforce state and federal environmental laws to enforce the provisions of state and federal environmental laws against responsible persons. The city shall exercise all reasonable efforts to recover amounts due from responsible persons. All amounts recovered by the city from responsible persons, net of the costs of recovery, and all amounts otherwise received by the city representing all or a portion of amounts recovered from responsible persons, with respect to parcels included in the area must be deposited by the city.

Subd. 3. [AMOUNTS RECOVERED.] All amounts deposited with the city, as provided in subdivision 2, are considered tax increment derived from a district formed under sections 2 to 10 and must be:

- (1) applied to the payment of the costs of recovery;*
- (2) applied to the payment of eligible costs; or*
- (3) returned to the county auditor for redistribution.*

Sec. 11. Laws 1991, chapter 291, article 10, section 23, is amended to read.

Sec. 23. [EFFECTIVE DATE.]

Sections 1, 2, 11, and 16 are effective the day following final enactment. Section 3 is effective for interest reduction assistance authorized after July 1, 1991. Sections 5 and 12, paragraph (h), are effective for improvements demolished or removed after April 1, 1991. Section 6, paragraph (h), is effective for delinquent property taxes paid after April 1, 1991. Section 6, paragraph (d), is effective for districts for which certification is requested after June 30, 1991. Sections 4, 6, paragraph (g), 7, 8, 9, and 10 are effective for districts for which certification was requested after April 30, 1990. Sections 12, except ~~paragraph~~ paragraphs (f) and (h), and 13 are effective the day following final enactment and apply to all tax increment financing districts regardless of when certification was requested. *Section 12, paragraph (f), is effective the day following final enactment for economic development districts which are originally certified after June 30, 1991.*

Sections 14 and 15 are effective for violations occurring after December 31, 1990. Section 18 is effective the day after compliance with Minnesota Statutes, section 645.021, by the governing body of the city of Moorhead. Section 19 is effective the day after compliance with Minnesota Statutes, section 645.021, by the governing body of the city of Fergus Falls. Sections 20, 21, and 22 each are effective the day after compliance with Minnesota Statutes, section 645.021, by the governing bodies of the city of Minneapolis, Cook county, and the city of Dawson respectively.

Sec. 12. [CITY OF MINNEAPOLIS; DURATION OF TAX INCREMENT DISTRICT.]

Notwithstanding Minnesota Statutes, section 469.176, subdivision 1, the duration of the Laurel Village tax increment financing district, district No. 64, located within the city of Minneapolis, may be extended by the authority through the year 2015. Any increment received for the years 2013 to 2015 may only be utilized to pay obligations provided for under the Laurel Village contract for private development, including use for payment of or to secure payment of, debt service on bonds issued in aid of the Laurel Village project or bonds issued to refund those bonds. Any increment received for years 2013 to 2015 that is not used for the purposes described in this section must be paid proportionately to the municipality, county, and school district as provided in Minnesota Statutes, section 469.176, subdivision 2.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 10 and 12 are effective the day following final enactment. Section 11 is effective as of the day following final enactment of Laws 1991, chapter 291, so that the original effective date language in Laws 1991, chapter 291, which is amended by section 11, has no effect."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Mondale moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 183, after line 6, insert:

"Sec. 9. [ST. LOUIS PARK; TAX INCREMENT.]

The city of St. Louis Park, or its redevelopment agencies, may create a hazardous substance subdistrict within the Excelsior Boulevard redevelopment project ("district"), under Minnesota Statutes, section 469.175, subdivision 7, and issue bonds or other obligations payable in whole or in part from increment derived from the subdistrict upon a finding by city resolution that establishment of a subdistrict will facilitate environmental remediation and reduce the likelihood of litigation. The proceeds of bonds and existing and future tax increment captured from the subdistrict or within the district may be used for any lawful purpose related to environmental remediation and costs associated therewith, including payment or reimbursement of remediation costs, establishment and funding of a guaranty or indemnification fund, environmental insurance, settlement of claims arising out of contamination, costs of bond issuance at public or private sale, and public infrastructure or improvements. The request for certification of the subdistrict must be filed with the county auditor before December 1, 1995. The city may defer receipt of the first increment from a subdistrict

for up to three years following certification. Minnesota Statutes, sections 469.174, subdivision 7, paragraph (c); 469.176, subdivisions 1, paragraph (d); 4e; 6; and 7; and 469.1763, do not apply to a subdistrict. Tax increment must be expended or reserved for expenditure by the city only for costs set forth in this section. Nothing herein affects the liability of persons for costs or damages associated with releases of hazardous substances, the city's right to pursue responsible parties or reimbursement under applicable insurance contracts, or the city's liability under Minnesota Statutes, section 115B.04, subdivision 4. The powers granted are in addition to other powers of the city."

Renumber the sections of article 9 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Pages 179 to 181, delete section 6

Page 183, after line 6, insert:

"Sec. 8. [REPEALER.]

Minnesota Statutes 1990, section 10A.43, subdivision 5; Minnesota Statutes 1991 Supplement, sections 10A.322, subdivision 4; and 290.06, subdivision 23, are repealed.

Sec. 9. [APPROPRIATION.]

\$3,000,000 is appropriated to the commissioner of jobs and training for the head start program."

Page 183, after line 15, insert:

"Section 8 is effective for contributions made after July 1, 1992."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Halberg	McGowan	Pariseau
Benson, D.D.	Davis	Johnson, D.E.	Mehrrens	Renneke
Benson, J.E.	Frank	Johnston	Merriam	Riveness
Bernhagen	Frederickson, D.R.	Knaak	Metzen	Sams
Bertram	Gustafson	Laidig	Neuville	Terwilliger

Those who voted in the negative were:

Adkins	Finn	Kroening	Morse	Samuelson
Beckman	Flynn	Langseth	Novak	Spear
Berg	Frederickson, D.J.	Lessard	Piper	Stumpf
Berglin	Hottinger	Luther	Pogemiller	Traub
Cohen	Johnson, D.J.	Marty	Price	Vickerman
DeCramer	Johnson, J.B.	Moe, R.D.	Ranum	
Dicklich	Kelly	Mondale	Reichgott	

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

Mr. Laidig moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 119, after line 28, insert:

"Sec. 4. Minnesota Statutes 1991 Supplement, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing;

(c) The furnishing, preparing, or serving for a consideration of food, meals, or drinks. "Sale" does not include:

(1) meals or drinks served to patients, inmates, or persons residing at hospitals, sanitariums, nursing homes, senior citizens homes, and correctional, detention, and detoxification facilities;

(2) meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served; or

(3) meals and lunches served at public and private schools, universities, or colleges. Notwithstanding section 297A.25, subdivision 2, taxable food or meals include, but are not limited to, the following:

(i) heated food or drinks;

(ii) sandwiches prepared by the retailer;

(iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;

(iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;

(v) soft drinks and other beverages prepared or served by the retailer;

(vi) gum;

(vii) ice;

(viii) all food sold in vending machines;

(ix) party trays prepared by the retailers; and

(x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;

(d) The granting of the privilege of admission to places of amusement, recreational areas, or athletic events, except a world championship football game sponsored by the national football league, and the privilege of having access to and the use of amusement devices, tanning facilities, reducing salons, steam baths, turkish baths, health clubs, and spas or athletic facilities;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service, intrastate toll service, and interstate toll service, if that service originates from and is charged to a telephone located in this state. Telephone service includes paging services and private communication service, as defined in United States Code, title 26, section 4252(d), except for private communication service purchased by an agent acting on behalf of the state lottery. The furnishing for a consideration of access to telephone services by a hotel to its guests is a sale under this clause. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale. The sale of natural gas to be used as a fuel in vehicles propelled by natural gas shall not be considered a sale for the purposes of this section;

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar television services;

(h) Notwithstanding subdivision 4, and section 297A.25, ~~subdivision subdivisions 9 and 49, the sales of horses, including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a, but only if (1) the horse is to be used for racing whose and (2) the birth of the horse has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association;~~

(i) The furnishing for a consideration of parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(j) The furnishing for a consideration of services listed in this paragraph:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin-operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting and exterminating services;

(iv) services provided by detective agencies, security services, burglar, fire alarm, and armored car services not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; arborist services; tree, bush, and shrub pruning, bracing, spraying, and surgery; and tree trimming for public utility lines. Services performed under a construction contract for the installation of shrubbery, plants, sod, trees, bushes, and similar items are not taxable;

(vii) solid waste collection and disposal services as described in section 297A.45;

(viii) massages, except when provided by a licensed health care facility or professional or upon written referral from a licensed health care facility or professional for treatment of illness, injury, or disease; and

(ix) the furnishing for consideration of lodging, board and care services for animals in kennels and other similar arrangements, but excluding veterinary and horse boarding services.

The services listed in this paragraph are taxable under section 297A.02 if the service is performed wholly within Minnesota or if the service is performed partly within and partly without Minnesota and the greater proportion of the service is performed in Minnesota, based on the cost of performance. In applying the provisions of this chapter, the terms "tangible personal property" and "sales at retail" include taxable services and the provision of taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable under this paragraph. Services performed by a partnership or association for another partnership or association are not taxable under this paragraph if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of this section, "affiliated group of corporations" includes those entities that would be classified as a member of an affiliated group under United States Code, title 26, section 1504, and who are eligible to file a consolidated tax return for federal income tax purposes;

(k) A "sale" and a "purchase" includes the transfer of computer software, meaning information and directions that dictate the function performed by data processing equipment. A "sale" and a "purchase" does not include the design, development, writing, translation, fabrication, lease, or transfer for a consideration of title or possession of a custom computer program; and

(l) The granting of membership in a club, association, or other organization if:

(1) the club, association, or other organization makes available for the use of its members sports and athletic facilities (without regard to whether a separate charge is assessed for use of the facilities); and

(2) use of the sports and athletic facilities is not made available to the general public on the same basis as it is made available to members.

Granting of membership includes both one-time initiation fees and periodic membership dues. Sports and athletic facilities include golf courses, tennis, racquetball, handball and squash courts, basketball and volleyball facilities, running tracks, exercise equipment, swimming pools, and other similar athletic or sports facilities. The provisions of this paragraph do not apply to camps or other recreation facilities owned and operated by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, for educational and social activities for young people primarily age 18 and under."

Page 125, after line 6, insert:

"Sec. 17. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 49. [HORSES.] Except as provided in section 297A.01, subdivision 3, paragraph (h), the gross receipts from the sale of horses are exempt."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

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

Mr. Moe, R.D. moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Pages 2 to 15, delete article 1 and insert:

"ARTICLE 1

LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 1991 Supplement, section 477A.0132, is amended to read:

477A.0132 [AID REDUCTIONS TO LOCAL GOVERNMENTS.]

Subdivision 1. [AFFECTED LOCAL GOVERNMENTS.] The following permanent and nonpermanent reductions shall be made in aids paid to the following local units of government:

(a) ~~For aids payable in 1990, there shall be a permanent reduction in aids to counties and cities of \$28,000,000.~~

(b) ~~For aids payable on July 20, 1991, there shall be a nonpermanent reduction in aid payments to counties, cities, towns, and special taxing districts of \$50,000,000.~~

(c) ~~For aids payable on December 15, 1991, there shall be a nonpermanent reduction in aids to counties, cities, towns, and special taxing districts of \$35,000,000. For purposes of this reduction, hospital districts are not considered special taxing districts.~~

(d) For aids payable in 1992, there shall be a permanent reduction in aids to counties, cities, and special taxing districts of \$86,000,000. For purposes of this reduction, hospital districts are not considered special taxing districts.

(e) (b) For aids payable in 1992, in addition to the reduction in clause (a), there shall be a permanent reduction in aids to cities of \$71,600,000.

(c) Aid reductions required under section 477A.014, subdivision 1a, ~~there~~

shall be a nonpermanent ~~reduction~~ *reductions* in aids to counties, cities, towns, and special taxing districts equal to the difference between the aid amounts certified to be paid and the amount ~~appropriated under Laws 1991, chapter 291, article 2, section 3, of the appropriation~~ to pay the aids.

Subd. 2. [CALCULATION OF AID REDUCTION.] The aid reduction to each local government as provided under subdivision 1 will be equal to the product of the reduction percentage and its reduction base. The reduction base is defined as the following:

(a) For subdivision 1, clause (a), the reduction base is equal to the adjusted revenue base for ~~1991~~ 1992.

(b) For subdivision 1, clause (b), the reduction base is equal to the revenue base for ~~1992~~ 1993.

(c) For subdivision 1, clause (c), the reduction base is equal to the ~~adjusted~~ revenue base for 1992.

~~(d) For subdivision 1, clause (d), the reduction base is equal to the adjusted revenue base for 1992.~~

~~(e) For subdivision 1, clause (e), the reduction base is equal to the adjusted revenue base for the year in which the aid payment is to be made.~~

Subd. 3. [ORDER OF AID REDUCTIONS.] (a) The aid reduction to a local government as calculated under subdivisions 1, *clause (a)*, and 2, is first applied to its local government aid under sections 477A.012 and 477A.013 excluding aid under section 477A.013, subdivision 5; then, if necessary, to its equalization aid under section 477A.013, subdivision 5; then if necessary, to its homestead and agricultural credit aid under section 273.1398, subdivision 2; and then, if necessary, to its disparity reduction aid under section 273.1398, subdivision 3; and then, if necessary, to its homestead and agricultural credit guarantee under section 273.1398, subdivision 5. No aid payment may be less than \$0. Aid reductions under this section in any given year shall be divided equally between the July ~~20~~ and December ~~15~~ aid payments unless specified otherwise in subdivision 1.

(b) The aid reduction to cities as calculated under subdivisions 1, clause (b), and 2 is first applied to its local government aid under section 477A.013; then if necessary, to its equalization aid under section 477A.013; and then if necessary, to its disparity reduction aid under section 273.1398, subdivision 3. No aid payment may be less than \$0. Aid reductions under this section in any given year shall be divided equally between the July and December aid payments unless specified otherwise in subdivision 1."

Pages 122 and 123, delete section 9

Page 124, delete section 12

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 6 and nays 57, as follows:

Those who voted in the affirmative were:

Belanger
Bernhagen

Knaak

McGowan

Terwilliger

Traub

Those who voted in the negative were:

Adkins	Dicklich	Johnson, J.B.	Metzen	Ranum
Beckman	Finn	Johnston	Moe, R. D.	Reichgott
Benson, D.D.	Flynn	Kelly	Mondale	Renneke
Benson, J.E.	Frank	Kroening	Morse	Riveness
Berg	Frederickson, D.J.	Laidig	Neuville	Sams
Berglin	Frederickson, D.R.	Langseth	Novak	Samuelson
Bertram	Gustafson	Larson	Olson	Spear
Brataas	Halberg	Lessard	Pappas	Stumpf
Chmielewski	Hottinger	Luther	Pariseau	Vickerman
Cohen	Hughes	Marty	Piper	
Davis	Johnson, D.E.	Mehrkens	Pogemiller	
DeCramer	Johnson, D.J.	Merriam	Price	

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

Mr. Neuville moved to amend H.F. No. 2940, as amended by the Senate April 3, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2755.)

Page 114, after line 13, insert:

"Sec. 10. Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a, is amended to read:

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

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

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

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

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

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

(5) *the amount of the personal exemption reduction as provided under section 290.0803.*

Sec. 11. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

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

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

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

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

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

(5) income as provided under section 290.0802;

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

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

(8) the amount by which the taxpayer's personal exemption amount is reduced under section 151(d)(3) of the Internal Revenue Code; and

(9) an amount equal to \$250, multiplied by the number of personal exemptions for which the taxpayer is eligible to take a deduction under section 151 of the Internal Revenue Code, provided that the subtraction under this clause is available only to a taxpayer who is not subject to the personal exemption reduction provided under section 290.0803."

Page 115, after line 13, insert:

"Sec. 13. Minnesota Statutes 1991 Supplement, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code of 1986 as amended through December 31, 1989, must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$19,910, 6 percent;
- (2) On all over \$19,910, but not over \$79,120, 8 percent;
- (3) On all over \$79,120, *but not over \$150,000*, 8.5 percent;
- (4) *On all over \$150,000, 10 percent.*

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$13,620, 6 percent;
- (2) On all over \$13,620, but not over \$44,750, 8 percent;
- (3) On all over \$44,750, *but not over \$102,600*, 8.5 percent;
- (4) *On all over \$102,600, 10 percent.*

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$16,770, 6 percent;
- (2) On all over \$16,770, but not over \$67,390, 8 percent;
- (3) On all over \$67,390, *but not over \$126,400*, 8.5 percent;
- (4) *On all over \$126,400, 10 percent.*

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income

for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1989, less the deduction allowed by section 217 of the Internal Revenue Code of 1986, as amended through December 31, 1990, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1990, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

Sec. 14. [290.0803] [PERSONAL EXEMPTION REDUCTION.]

In the case of any taxpayer whose adjusted gross income determined under section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1991, for the taxable year exceeds the threshold amount, the amount taken as a deduction for personal exemptions under section 151 of the Internal Revenue Code of 1986, as amended through December 31, 1991, prior to application of section 151(d)(3), shall be reduced by the applicable percentage. The amount determined under this section shall be added to federal taxable income under section 290.01, subdivision 19a, clause (5).

As used in this section, the term "applicable percentage" means two percentage points for each \$1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds the threshold amount. In the case of a married individual filing a separate return, the preceding sentence shall be applied by substituting "\$500" for "\$1,000." In no event shall the applicable percentage exceed 100 percent.

As used in this section, the term "threshold amount" means:

(1) \$100,000 in the case of a joint return or a surviving spouse as defined in section 2(a) of the Internal Revenue Code of 1986, as amended through December 31, 1991;

(2) \$83,350 in the case of a head of a household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991;

(3) \$66,650 in the case of an individual who is not married and who is not a surviving spouse or head of a household; and

(4) \$50,000 in the case of a married individual filing a separate return."

Page 117, line 14, after "10" insert "to 14"

Renumber the sections of article 5 in sequence and correct the internal references

Pages 122 and 123, delete section 9

Page 125, delete section 16

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Adkins	Dicklich	Johnston	Merriam	Ranum
Belanger	Finn	Kelly	Metzen	Reichgott
Benson, D.D.	Flynn	Knaak	Moe, R.D.	Renneke
Benson, J.E.	Frank	Kroening	Mondale	Riveness
Bermlin	Frederickson, D.R.	Laidig	Morse	Sams
Bertram	Gustafson	Langseth	Neuville	Samuelson
Brataas	Halberg	Larson	Novak	Spear
Chmielewski	Hottinger	Lessard	Pappas	Stumpf
Cohen	Hughes	Luther	Pariseau	Traub
Dahl	Johnson, D.E.	Marty	Piper	Vickerman
Davis	Johnson, D.J.	McGowan	Pogemiller	Waldorf
DeCramer	Johnson, J.B.	Mehrkens	Price	

Messrs. Bernhagen and Terwilliger voted in the negative.

The motion prevailed. So the amendment was adopted.

H.F. No 2940 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 44 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Moe, R.D.	Ranum
Beckman	Dicklich	Kelly	Mondale	Reichgott
Bermlin	Finn	Kroening	Morse	Riveness
Bertram	Flynn	Langseth	Neuville	Sams
Brataas	Frederickson, D.J.	Lessard	Novak	Samuelson
Chmielewski	Frederickson, D.R.	Luther	Pappas	Spear
Cohen	Hottinger	Marty	Piper	Stumpf
Dahl	Hughes	Merriam	Pogemiller	Vickerman
Davis	Johnson, D.J.	Metzen	Price	

Those who voted in the negative were:

Belanger	Frank	Knaak	Olson	Waldorf
Benson, D.D.	Gustafson	Laidig	Pariseau	
Benson, J.E.	Halberg	Larson	Renneke	
Berg	Johnson, D.E.	McGowan	Terwilliger	
Bernhagen	Johnston	Mehrkens	Traub	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Johnson, D.J. moved that S.F. No. 2755, No. 69 on General Orders, be stricken and laid on the table. The motion prevailed.

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

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

REPORTS OF COMMITTEES

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

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

S.F. No. 2603: A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 43A.316, by adding subdivisions; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62E.11, by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; and 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 43A; 62A; 62E; 62J; 136A; 137; 144; 144A; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; 62A.02, subdivisions 4 and 5; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9.

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

Page 3, line 4, after the period, insert "*Professional licensing boards and state agencies responsible for licensing, registering, or regulating providers shall cooperate fully with the commissioner in achieving compliance with the reporting requirements. Intentional failure to provide reports requested under this section is grounds for revocation of a license or other disciplinary or regulatory action against a regulated provider. The commissioner may assess a fine against a provider who refuses to provide information required by the commissioner under this section. If a provider refuses to provide a report or information required under this section, the commissioner may obtain a court order requiring the provider to produce documents and allowing the commissioner to inspect the records of the provider for purposes of obtaining the information required under this section.*"

Page 7, line 11, delete "24" and insert "25"

Page 7, line 20, delete "five" and insert "six"

Page 7, line 24, after the comma, insert "*one rural physician appointed by the governor,*"

Page 7, line 28, after "*including*" insert "*(1)*"

Page 7, line 30, delete the comma and insert a semicolon and before "*two*" insert "*(2)*"

Page 14, line 9, after the period, insert *"For purposes of determining whether a proposed spending commitment exceeds a spending threshold, the total dollar amount of the spending commitment must be reduced in proportion to the documented percentage of a provider's business that is attributable to treating patients who are residents of other states."*

Page 16, line 17, delete "AND TEACHING"

Page 16, lines 21 and 22, delete *"or for health care education and training purposes"*

Page 16, delete lines 23 to 28 and insert:

"(f) [MANUFACTURERS.] A major spending commitment may be made by a manufacturer of drugs or medical equipment if the major spending commitment relates to research, development, testing, or manufacturing of drugs or medical equipment. This exception does not apply to any portion of the manufacturer's business that involves direct sales to patients or individual consumers."

Page 19, line 5, delete *"compatible with"* and insert *"based on"*

Page 19, delete lines 18 to 36

Page 20, delete line 1

Page 20, line 2, delete "4" and insert "2"

Page 20, line 3, delete *"subdivision"* and insert *"section"*

Page 20, line 12, delete "1992" and insert "1993"

Page 20, line 20, after the period, insert *"This section does not apply to ambulance services as defined in section 144.801, subdivision 4."*

Pages 20 and 21, delete sections 11 and 12 and insert:

"Sec. 11. [62J.27] [PRACTICE PARAMETERS.]

Subdivision 1. [APPROVAL.] The commissioner of health, after receiving the advice and recommendations of the Minnesota health care commission, may through rulemaking under chapter 14 approve practice parameters that are supported by medical literature and appropriately controlled studies to minimize unnecessary, unproven, or ineffective care.

Subd. 2. [MEDICAL MALPRACTICE CASES.] (a) In an action against a provider for malpractice, error, mistake, or failure to cure, whether based in contract or tort, adherence to a practice parameter approved by the commissioner of health is an absolute defense against an allegation that the provider did not comply with accepted standards of practice in the community.

(b) Evidence of a departure from a practice parameter is admissible only on the issue of whether the provider is entitled to an absolute defense under paragraph (a).

(c) Paragraphs (a) and (b) apply to claims arising on or after August 1, 1993, or 90 days after the effective date of rules adopted by the commissioner approving the applicable practice parameter, whichever is later.

Sec. 12. [62J.29] [ANTITRUST EXCEPTIONS.]

Subdivision 1. [PURPOSE.] The legislature finds that the goals of controlling health care costs and improving the quality of and access to health

care services will be significantly enhanced by some cooperative arrangements involving providers or purchasers that would be prohibited by state and federal antitrust laws if undertaken without governmental involvement. The purpose of this section is to create an opportunity for the state to review proposed arrangements and to substitute regulation for competition when an arrangement is likely to result in lower costs, or greater access or quality, than would otherwise occur in the competitive marketplace. The legislature intends that approval of relationships be accompanied by appropriate conditions, supervision, and regulation to protect against private abuses of economic power.

Subd. 2. [REVIEW AND APPROVAL.] The commissioner shall establish criteria and procedures to review and authorize contracts, business or financial arrangements, or other activities, practices, or arrangements involving providers or purchasers that might be construed to be violations of state or federal antitrust laws but which are in the best interests of the state and further the policies and goals of this chapter. The commissioner shall not approve any application unless the commissioner finds that the proposed arrangement is likely to result in lower health care costs, or greater access to or quality of health care, than would occur in the competitive marketplace. The commissioner may condition approval of a proposed arrangement on a modification of all or part of the arrangement to eliminate any restriction on competition that is not reasonably related to the goals of controlling costs or improving access or quality. The commissioner may also establish conditions for approval that are reasonably necessary to protect against any abuses of private economic power and to ensure that the arrangement is appropriately supervised and regulated by the state. The commissioner shall actively monitor and regulate arrangements approved under this section to ensure that the arrangements remain in compliance with the conditions of approval. The commissioner may revoke an approval upon a finding that the arrangement is not in substantial compliance with the terms of the application or the conditions of approval.

Subd. 3. [APPLICATIONS.] Applications for approval under this section must be filed with the commissioner. An application for approval must describe the proposed arrangement in detail. The application must include at least: the identities of all parties, the intent of the arrangement, the expected effects of the arrangement, an explanation of how the arrangement will control costs or improve access or quality, and financial statements showing how the efficiencies of operation will be passed along to patients and purchasers of health care. The commissioner may ask the attorney general to comment on an application, but the application and any information obtained by the commissioner under this section is not admissible in any proceeding brought by the attorney general based on antitrust.

Subd. 4. [STATE ANTITRUST LAW.] Notwithstanding the Minnesota antitrust law of 1971, as amended, in Minnesota Statutes, sections 325D.49 to 325D.66, contracts, business or financial arrangements, or other activities, practices, or arrangements involving providers or purchasers that are approved by the commissioner under this section do not constitute an unlawful contract, combination, or conspiracy in unreasonable restraint of trade or commerce under Minnesota Statutes, sections 325D.49 to 325D.66. Approval by the state commission is an absolute defense against any action under state antitrust laws.

Subd. 5. [RULEMAKING.] The commissioner shall by January 1, 1994, adopt permanent rules to implement this section. The commissioner is exempt

from rulemaking until January 1, 1994."

Page 21, after line 6, insert:

"Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective the day following final enactment."

Page 93, after line 1, insert:

"Sec. 13. [REPEALER.]

Minnesota Statutes 1990, sections 62E.51, 62E.52, 62E.53, 62E.531, 62E.54, and 62E.55, are repealed."

Page 93, line 2, delete "13" and insert "14"

Page 96, line 29, before "*The*" insert "*Subdivision 1. [SOLE COMMUNITY HOSPITAL FINANCIAL ASSISTANCE GRANTS.]*"

Page 97, after line 4, insert:

"*Subd. 2. [GRANTS TO AT-RISK RURAL HOSPITALS TO OFFSET THE IMPACT OF THE HOSPITAL TAX.] The commissioner of health shall award financial assistance grants to rural hospitals that would otherwise close as a direct result of the hospital tax in article 10, section 7. To be eligible for a grant, a hospital must have 50 or fewer beds and must not be located in a city of the first class. To receive a grant, the hospital must demonstrate to the satisfaction of the commissioner of health that the hospital will close in the absence of state assistance under this subdivision and that the hospital tax is the principal reason for the closure. The amount of the grant must not exceed the amount of the tax the hospital would pay under article 10, section 7, based on the previous year's hospital revenues."*

Pages 133 to 139, delete article 10, and insert:

"ARTICLE 10

FINANCING

Section 1. [16A.724] [HEALTH CARE ACCESS ACCOUNT.]

A health care access account is created in the general fund. The commissioner shall deposit to the credit of the account money made available to the account.

Sec. 2. Minnesota Statutes 1990, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 15, June 15, and December 15 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies ~~and~~, domestic mutual insurance companies, *and nonprofit health service corporations*, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. Except as provided in paragraph (b), installments must be based on a sum equal to two percent of the premiums described in paragraph (c).

(b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) writing life insurance, or (ii) whose total assets on December 31, 1989, exceeded \$1,600,000,000, the installments must be based on an amount equal to the following percentages of the premiums described in paragraph (c):

(1) for premiums paid after December 31, 1988, and before January 1, 1992, one percent; and

(2) for premiums paid after December 31, 1991, one-half of one percent.

(c) Installments under paragraph (a) or (b) are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year, excepting premiums written for marine insurance as specified in subdivision 6.

(d) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section, unless the total tax for the current tax year is \$500 or less.

Sec. 3. Minnesota Statutes 1990, section 62C.01, subdivision 3, is amended to read:

Subd. 3. [SCOPE.] Every foreign or domestic nonprofit corporation organized for the purpose of establishing or operating a health service plan in Minnesota whereby health services are provided to subscribers to the plan under a contract with the corporation shall be subject to and governed by Laws 1971, chapter 568, and shall not be subject to the laws of this state relating to insurance, except *section 60A.15* and as otherwise specifically provided. Laws 1971, chapter 568 shall apply to all health service plan corporations incorporated after August 1, 1971, and to all existing health service plan corporations, except as otherwise provided. Nothing in sections 62C.01 to 62C.23 shall apply to prepaid group practice plans. A prepaid group practice plan is any plan or arrangement other than a service plan, whereby health services are rendered to certain patients by providers who devote their professional effort primarily to members or patients of the plan, and whereby the recipients of health services pay for the services on a regular, periodic basis, not on a fee for service basis.

Sec. 4. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

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

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

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

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964

and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

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

(5) income as provided under section 290.0802;

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

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

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

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

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

HOSPITALS AND HEALTH CARE PROVIDERS

Sec. 5. [295.50] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 295.50 to 295.57, the following terms have the meanings given.

Subd. 2. [COMMISSIONER.] "Commissioner" is the commissioner of revenue.

Subd. 3. [GROSS REVENUES.] "Gross revenues" are total amounts

received in money or otherwise by:

(1) a resident hospital for inpatient or outpatient services as defined in Minnesota Rules, part 4650.0102, subparts 21 and 29;

(2) a nonresident hospital for inpatient or outpatient services as defined in Minnesota Rules, part 4650.0102, subparts 21 and 29, provided to patients domiciled in Minnesota;

(3) a resident health care provider for covered services listed in section 256B.0625;

(4) a nonresident health care provider for covered services listed in section 256B.0625 provided to an individual domiciled in Minnesota;

(5) a wholesale drug distributor for sale or distribution of prescription drugs, as defined in section 151.44, paragraph (d), other than to another wholesale drug distributor; and

(6) a health plan manager for management, underwriting, claims administration, or other similar services for medical or health care benefits or coverage provided to purchasers located in Minnesota, if the revenues are not insurance premiums taxable under the gross premiums tax or are not used by the manager to pay taxable insurance premiums.

Subd. 4. [HEALTH CARE PROVIDER.] "Health care provider" is a vendor of medical care qualifying for reimbursement under the medical assistance program provided under chapter 256B, but excludes hospitals and pharmacies.

Subd. 5. [HEALTH PLAN MANAGER.] "Health plan manager" means a person, as defined in section 289A.02, that provides management, underwriting, claims administration, or similar services to a purchaser located in Minnesota, other than a hospital or health care provider.

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

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

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

Subd. 7. [HOSPITAL.] "Hospital" is a hospital licensed under chapter 144, a hospital providing inpatient or outpatient services licensed by any other state or province or territory of Canada, or a surgical center.

Subd. 8. [NONRESIDENT HEALTH CARE PROVIDER.] "Nonresident health care provider" means a health care provider who is not a resident health care provider.

Subd. 9. [NONRESIDENT HOSPITAL.] "Nonresident hospital" means a hospital physically located outside Minnesota.

Subd. 10. [PHARMACY.] "Pharmacy" means a pharmacy, as defined in section 151.01, if the only goods or services the pharmacy sells that qualify for reimbursement under the medical assistance program under chapter 256B are drugs, prosthetics, and similar items.

Subd. 11. [RESIDENT HEALTH CARE PROVIDER.] *"Resident health care provider" means a health care provider whose principal place of dispensing health care is in Minnesota.*

Subd. 12. [RESIDENT HOSPITAL.] *"Resident hospital" means a hospital physically located inside Minnesota.*

Subd. 13. [SURGICAL CENTER.] *"Surgical center" is an outpatient surgical center as defined in Minnesota Rules, chapter 4675, or a similar facility located in any other state or province or territory of Canada.*

Subd. 14. [WHOLESALE DRUG DISTRIBUTOR.] *"Wholesale drug distributor" means a wholesale drug distributor licensed under sections 151.42 to 151.51 that sells to a Minnesota retailer or consumer.*

Sec. 6. [295.51] [MINIMUM CONTACTS REQUIRED FOR JURISDICTION TO TAX GROSS REVENUE.]

Subdivision 1. [BUSINESS TRANSACTIONS IN MINNESOTA.] *A hospital or health care provider is subject to tax under sections 295.50 to 295.58 if it is "transacting business in Minnesota." A hospital or health care provider is transacting business in Minnesota only if it:*

- (1) maintains an office in Minnesota;*
- (2) has employees, representatives, or independent contractors conducting business in Minnesota;*
- (3) regularly sells covered services to customers that receive the covered services in Minnesota;*
- (4) regularly solicits business from potential customers in Minnesota;*
- (5) regularly performs services outside Minnesota that are consumed in Minnesota;*
- (6) owns or leases tangible personal or real property physically located in Minnesota; or*
- (7) receives medical assistance payments from the state of Minnesota.*

Subd. 2. [PRESUMPTION.] *A hospital or health care provider is presumed to regularly solicit business within Minnesota if it receives gross receipts for covered services from 20 or more patients domiciled in Minnesota in a calendar year.*

Sec. 7. [295.52] [TAXES IMPOSED.]

Subdivision 1. [HOSPITAL TAX.] *A tax is imposed on each hospital equal to two percent of its gross revenues.*

Subd. 2. [HEALTH CARE PROVIDER TAX.] *A tax is imposed on each health care provider and health plan manager equal to two percent of its gross revenues.*

Subd. 3. [WHOLESALE DRUG DISTRIBUTOR TAX.] *A tax is imposed on each wholesale drug distributor equal to percent of its gross revenues.*

Subd. 4. [USE TAX.] *A person that receives prescription drugs for resale or use in Minnesota, other than from a wholesale drug distributor that paid the tax under subdivision 3 as evidenced by a wholesale drug distributor tax identification number on the invoice, is subject to a tax equal to percent of the price paid. A wholesale drug distributor is not subject to this tax.*

Liability for the tax is incurred when prescription drugs are received by the person.

Sec. 8. [295.53] [EXEMPTIONS.]

The following payments are excluded from the gross revenues subject to the hospital or health care provider taxes under sections 295.50 to 295.57:

(1) payments received from the federal government for services provided under the Medicare program, excluding enrollee deductible and coinsurance payments;

(2) medical assistance payments;

(3) payments received for services performed by a nursing home licensed under chapter 144A, services provided in an intermediate care facility for persons with mental retardation, and home care services;

(4) payments received from hospitals for services that are subject to tax under section 295.52;

(5) payments received from health care providers that are subject to tax under section 295.52;

(6) payments received for prescription drugs, as defined in section 151.44, paragraph (d);

(7) payments received under the general assistance medical care program; and

(8) payments received for providing services under the health right program under article 4.

Sec. 9. [295.54] [CREDIT FOR TAXES PAID TO ANOTHER STATE.]

A resident hospital or resident health care provider who is liable for taxes payable to another state or province or territory of Canada measured by gross receipts and is subject to tax under section 295.52 is entitled to a credit for the tax paid to another state or province or territory of Canada to the extent of the lesser of (1) the tax actually paid to the other state or province or territory of Canada, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing jurisdictions.

Sec. 10. [295.55] [PAYMENT OF TAX.]

Subdivision 1. [SCOPE.] The provisions of this section apply to the taxes imposed under sections 295.50 to 295.58.

Subd. 2. [ESTIMATED TAX; HOSPITALS.] (a) Each hospital must make estimated payments of the taxes for the calendar year in monthly installments to the commissioner within ten days after the end of the month.

(b) Estimated tax payments are not required if the tax for the calendar year is less than \$500.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-twelfth of the tax for the calendar year or (2) the tax for the actual gross revenues received during the quarter.

Subd. 3. [ESTIMATED TAX; OTHER TAXPAYERS.] (a) Each taxpayer,

other than a hospital, must make estimated payments of the taxes for the calendar year in quarterly installments to the commissioner by April 15, July 15, October 15, and January 15 of the following calendar year.

(b) Estimated tax payments are not required if the tax for the calendar year is less than \$500.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-quarter of the tax for the calendar year or (2) the tax for the actual gross revenues received during the quarter.

Subd. 4. [ELECTRONIC FUNDS TRANSFER PAYMENTS.] A taxpayer with an aggregate tax liability of \$60,000 or more during a calendar quarter ending the last day of March, June, September, or December must thereafter remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, is on or before the date the tax is due. If the date the tax is due is not a funds-transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date is on or before the first funds-transfer business day after the date the tax is due.

Subd. 5. [ANNUAL RETURN.] The hospital or health care provider must file an annual return reconciling the quarterly estimated payments by March 15 of the following calendar year.

Subd. 6. [FORM OF RETURNS.] The estimated payments and annual return must contain the information and be in the form prescribed by the commissioner.

Subd. 7. [PASS-THROUGH.] A hospital or health care provider that is subject to a tax under section 7 may assess a surcharge on all third-party contracts for the purchase of health care services on behalf of a patient or consumer to recover all or part of the tax obligation. The surcharge must not exceed two percent of the gross revenues received under the third-party contract, including copayments and deductibles paid by the individual patient or consumer. The surcharge must not be assessed on revenues derived from payments that are excluded from the tax under section 8. All third-party purchasers of health care services including, but not limited to, third-party purchasers regulated under chapters 60A, 62A, 62C, 62D, 64B, or 62H, must pay the surcharge in addition to any payments due under existing or future contracts with the hospital or health care provider, to the extent allowed under federal law. Nothing in this subdivision limits the ability of a hospital or health care provider to recover all or part of the tax obligation by other methods, including increasing fees or charges. A hospital or health care provider must not separately state the tax obligation on bills for services provided to individual patients.

Sec. 11. [295.56] [TAX PERMIT.]

Subdivision 1. [PERMIT REQUIRED.] Every wholesale drug distributor must file with the commissioner an application, on a form the commissioner prescribes, for a wholesale drug distributor tax identification number and wholesale drug distributor tax permit. A permit is not assignable and is valid only for the wholesaler in whose name it is issued.

Subd. 2. [INCLUSION ON INVOICE.] The wholesale drug distributor tax identification number must be included on every invoice for prescription drugs sent to a Minnesota retailer or consumer.

Subd. 3. [REVOCATION.] The commissioner may revoke a permit for nonpayment of tax.

Sec. 12. [295.56] [COLLECTION AND ENFORCEMENT; RULEMAKING; APPLICATION OF OTHER CHAPTERS.]

Unless specifically provided by sections 295.50 to 295.58, the enforcement, interest, and penalty provisions under chapter 294, appeal and criminal penalty provisions under chapter 289A, and collection and rulemaking provisions under chapter 270 apply to a liability for the taxes imposed under sections 295.50 to 295.58.

Sec. 13. [295.57] [DEPOSIT OF REVENUES.]

The commissioner shall deposit all revenues, including penalties and interest, derived from the taxes imposed by sections 295.50 to 295.56 in the health care access account in the general fund.

Sec. 14. [295.58] [SEVERABILITY.]

If any section, subdivision, clause, or phrase of sections 295.50 to 295.58 is for any reason held to be unconstitutional, the decision shall not affect the validity of the remaining portions of sections 295.50 to 295.58. The legislature declares that it would have passed sections 295.50 to 295.58 and each section, subdivision, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subdivisions, sentences, clauses, or phrases is declared unconstitutional.

Sec. 15. Minnesota Statutes 1991 Supplement, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~24.5~~ 24 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~43~~ 48 mills on each such cigarette.

Sec. 16. Minnesota Statutes 1991 Supplement, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~4.4~~ 4.0 percent from the face amount of the stamps for the first \$1,500,000 of such stamps purchased in any fiscal year; and at a discount of ~~.65~~ .60 percent on the remainder of such stamps purchased in any fiscal year. The commissioner shall not sell stamps to any other person. The commissioner may prescribe the method of shipment of the stamps to the distributor as well as the quantities of stamps purchased.

Sec. 17. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor, retailer, subjobber,

vendor, manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes in the person's possession or under the person's control at 12:01 a.m. on July 1, 1992. The tax is imposed at the following rates, subject to the discounts in section 297.03:

(1) on cigarettes weighing not more than three pounds a thousand, 2.5 mills on each cigarette; and

(2) on cigarettes weighing more than three pounds a thousand, five mills on each cigarette.

Each distributor, by July 8, 1992, shall file a report with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1992, and the amount of tax due on the cigarettes. The tax imposed by this section is due and payable by August 1, 1992, and after that date bears interest at the rate of one percent a month.

Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative shall file a return with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1992, and pay the tax due thereon by August 1, 1992. Tax not paid by the due date bears interest at the rate of one percent a month.

Subd. 2. [AUDIT AND ENFORCEMENT.] The tax imposed by this section is subject to the audit, assessment, and collection provisions applicable to the taxes imposed under chapter 297C. The commissioner may require a distributor to receive and maintain copies of floor stock tax returns filed by all persons requesting a credit for returned cigarettes.

Subd. 3. [DEPOSIT OF PROCEEDS.] The revenue from the tax imposed under this section shall be deposited by the commissioner in the state treasury and credited to the health care access account in the general fund.

Sec. 18. [TEMPORARY DEPOSIT OF CIGARETTE TAX REVENUES.]

Notwithstanding the provisions of Minnesota Statutes, section 297.13, the revenue provided by 2.5 mills of the tax on cigarettes weighing not more than three pounds a thousand and five mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the health care access account in the general fund. This section applies only to revenue collected for sales after June 30, 1992, and before January 1, 1994. Revenue includes revenue from the tax, interest, and penalties collected under the provisions of Minnesota Statutes, sections 297.01 to 297.13.

This section expires June 30, 1994.

Sec. 19. [TRANSITION PROVISION; HOSPITAL TAX.]

For gross revenues taxable under section 7, subdivision 1, for calendar year 1993, the exclusions under section 8, clauses (5) and (6), do not apply.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 and 2 are effective beginning for calendar year 1993. Section 4 is effective for taxable years beginning after December 31, 1992. Section 7, subdivision 1, is effective for gross revenues generated by services performed and goods sold after December 31, 1992. Section 7, subdivisions 2, 3, and 4, are effective for gross revenues generated by services performed and goods sold after December 31, 1993. Sections 15 and 16 are effective July 1, 1992. Section 17 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 11, after the semicolon, insert "60A.15, subdivision 1;"

Page 1, line 12, after the first semicolon, insert "62C.01, subdivision 3;"

Page 1, line 18, delete "and"

Page 1, line 19, after the semicolon, insert "297.03, subdivision 5;"

Page 1, line 25, after the second semicolon, insert "62E.51; 62E.52; 62E.53; 62E.531; 62E.54; 62E.55"

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

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

H.F. No. 1910: A bill for an act relating to corporations; providing for the formation, organization, operation, taxation, management, and ownership of limited liability companies; prescribing the procedures for filing articles of organization; establishing the powers of a limited liability company; providing for the naming of a limited liability company; providing for the appointment of a resident agent for a limited liability company; establishing the relationship of the members of a limited liability company to each other and to third parties; permitting the merger of one or more limited liability companies with other domestic limited liability companies and domestic and foreign corporations; providing for the dissolution, winding up, and termination of a limited liability company; providing for foreign limited liability companies to do business in this state; defining certain terms; amending Minnesota Statutes 1990, sections 211B.15, subdivision 1; 290.01, by adding a subdivision; 302A.011, subdivision 19; 302A.115, subdivision 1; 302A.121, subdivision 2; 302A.601, by adding a subdivision; 308A.005, subdivision 6; 308A.121, subdivision 1; 317A.011, subdivision 16; 317A.115, subdivision 2; 319A.02, subdivision 5, and by adding a subdivision; 319A.03; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1a and 2; 319A.20; 322A.01; 322A.02; 333.001; 333.18, subdivision 2; 333.20, subdivision 2; and 333.21, subdivision 1; Minnesota Statutes 1991 Supplement, sections 290.06, subdivision 22; 302A.471, subdivision 1; and 500.24, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 322B.

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

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1990, section 211B.15, subdivision 1, is amended to read:

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

(b) "Corporation" ~~for purposes of this section~~ means a corporation organized for profit that does business in Minnesota.

(c) "Limited liability company" means a limited liability company formed under chapter 322B, or under similar laws of another state, that does business in Minnesota.

Sec. 2. Minnesota Statutes 1990, section 211B.15, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED CONTRIBUTIONS.] A corporation or *limited liability company* may not make a contribution or offer or agree to make a contribution, directly or indirectly, of any money, property, free service of its officers or employees, or thing of monetary value to a major political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

Sec. 3. Minnesota Statutes 1990, section 211B.15, subdivision 3, is amended to read:

Subd. 3. [INDEPENDENT EXPENDITURES.] A corporation or *limited liability company* may not make an independent expenditure or offer or agree to make an independent expenditure to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "independent expenditure" means an expenditure that is not made with the authorization or expressed or implied consent of, or in cooperation or concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

Sec. 4. Minnesota Statutes 1990, section 211B.15, subdivision 4, is amended to read:

Subd. 4. [BALLOT QUESTION.] A corporation or *limited liability company* may make contributions or expenditures to promote or defeat a ballot question, to qualify a question for placement on the ballot unless otherwise prohibited by law, or to express its views on issues of public concern. A corporation or *limited liability company* may not make a contribution to a candidate for nomination, election, or appointment to a political office or to a committee organized wholly or partly to promote or defeat a candidate.

Sec. 5. Minnesota Statutes 1990, section 211B.15, subdivision 6, is amended to read:

Subd. 6. [PENALTY FOR INDIVIDUALS.] An officer, *manager*, stockholder, *member*, agent, employee, attorney, or other representative of a corporation or *limited liability company* acting in behalf of the corporation or *limited liability company* who violates this section may be fined not more than \$20,000 or be imprisoned for not more than five years, or both.

Sec. 6. Minnesota Statutes 1990, section 211B.15, subdivision 7, is amended to read:

Subd. 7. [PENALTY FOR CORPORATIONS OR LIMITED LIABILITY COMPANIES.] A corporation or *limited liability company* convicted of violating this section is subject to a fine not greater than \$40,000. A convicted domestic corporation or *limited liability company* may be dissolved as well as fined. If a foreign or nonresident corporation or *limited liability company* is convicted, in addition to being fined, its right to do business in this state may be declared forfeited.

Sec. 7. Minnesota Statutes 1990, section 211B.15, subdivision 9, is amended to read:

Subd. 9. [MEDIA PROJECTS.] It is not a violation of this section for a corporation *or limited liability company* to contribute to or conduct public media projects to encourage individuals to attend precinct caucuses, register, or vote if the projects are not controlled by or operated for the advantage of a candidate, political party, or committee.

Sec. 8. Minnesota Statutes 1990, section 211B.15, subdivision 10, is amended to read:

Subd. 10. [MEETING FACILITIES.] It is not a violation of this section for a corporation *or limited liability company* to provide meeting facilities to a committee, political party, or candidate on a nondiscriminatory and nonpreferential basis.

Sec. 9. Minnesota Statutes 1990, section 211B.15, subdivision 11, is amended to read:

Subd. 11. [MESSAGES ON ~~CORPORATE~~ PREMISES.] It is not a violation of this section for a corporation *or limited liability company* selling products or services to the public to post on its public premises messages that promote participation in precinct caucuses, voter registration, or elections if the messages are not controlled by or operated for the advantage of a candidate, political party, or committee."

Page 4, after line 21, insert:

"Sec. 12. Minnesota Statutes 1991 Supplement, section 290.0922, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] (a) In addition to the tax imposed by this chapter without regard to this section, the franchise tax imposed on a corporation required to file under section 290.37, other than a corporation having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the taxable year includes a tax equal to the following amounts:

For taxable years beginning after December 31, 1993, and before January 1, 1996, if the sum of the corporation's Minnesota property, payrolls, and sales or receipts is:

	less than \$500,000		the tax equals:
\$	500,000 to \$ 999,999	\$	0
\$	1,000,000 to \$ 4,999,999	\$	400 \$ 110
\$	5,000,000 to \$ 9,999,999	\$	300 \$ 320
\$	10,000,000 to \$19,999,999	\$1,000	\$1,060
\$	20,000,000 or more	\$2,000	\$2,110
		\$5,000	\$5,280

For taxable years beginning after December 31, 1995, if the sum of the corporation's Minnesota property, payrolls, and sales or receipts is:

	less than \$500,000		the tax equals:
\$	500,000 to \$ 999,999	\$	0
\$	1,000,000 to \$ 4,999,999	\$	120
		\$	350

\$ 5,000,000 to \$ 9,999,999	\$1,170
\$10,000,000 to \$19,999,999	\$2,340
\$20,000,000 or more	\$5,840

(b) A tax is imposed annually ~~beginning in 1990~~ on a corporation required to file a return under section 290.41, subdivision 1, that has a valid election in effect for the taxable year under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, and on a partnership required to file a return under section 290.41, subdivision 1, other than a partnership that derives over 80 percent of its income from farming. The tax imposed under this paragraph is due on or before the due date of the return due under section 290.41, subdivision 1, for the calendar year following the calendar year in which the tax is imposed. The commissioner shall prescribe the return to be used for payment of this tax. The tax under this paragraph is equal to the following amounts:

For taxable years beginning after December 31, 1993, and before

January 1, 1996, if the sum of the S corporation's or partnership's Minnesota property, payrolls, and sales or receipts is:

the tax equals:

<i>less than \$500,000</i>	<i>\$ 0</i>
<i>\$ 500,000 to \$ 999,999</i>	<i>\$ 400 \$ 110</i>
<i>\$ 1,000,000 to \$ 4,999,999</i>	<i>\$ 300 \$ 320</i>
<i>\$ 5,000,000 to \$ 9,999,999</i>	<i>\$1,000 \$1,060</i>
<i>\$10,000,000 to \$19,999,999</i>	<i>\$2,000 \$2,110</i>
<i>\$20,000,000 or more</i>	<i>\$5,000 \$5,280</i>

For taxable years beginning after December 31, 1995, if the sum of the S corporation's or partnership's Minnesota property, payrolls, and sales or receipts is:

the tax equals:

<i>less than \$500,000</i>	<i>\$ 0</i>
<i>\$ 500,000 to \$ 999,999</i>	<i>\$ 120</i>
<i>\$ 1,000,000 to \$ 4,999,999</i>	<i>\$ 350</i>
<i>\$ 5,000,000 to \$ 9,999,999</i>	<i>\$1,170</i>
<i>\$10,000,000 to \$19,999,999</i>	<i>\$2,340</i>
<i>\$20,000,000 or more</i>	<i>\$5,840"</i>

Page 22, line 3, delete "2 and 3" and insert "10 and 11"

Renumber the sections of article 1 in sequence

Amend the title as follows:

Page 1, line 18, after the second semicolon, insert "increasing the minimum fee on businesses;"

Page 1, line 20, delete "subdivision 1" and insert "subdivisions 1, 2, 3, 4, 6, 7, 9, 10, and 11"

Page 1, line 31, after the first semicolon, insert "290.0922, subdivision 1;"

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

SECOND READING OF HOUSE BILLS

H.F. No. 1910 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Finn introduced—

S.F. No. 2785: A bill for an act relating to real property; providing for a statute of limitations on certain causes of action for specific performance or recovery of money damages; amending Minnesota Statutes 1990, section 500.24, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Finn and Solon introduced—

S.F. No. 2786: A bill for an act relating to taxation; reducing the income tax deduction for personal exemptions; changing certain income tax rates; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Mr. Halberg introduced—

S.F. No. 2787: A bill for an act relating to professional corporations; removing certain filing and reporting requirements with the boards having jurisdiction of the professional service being rendered; amending Minnesota Statutes 1990, sections 319A.08; and 319A.18; repealing Minnesota Statutes 1990, section 319A.21.

Referred to the Committee on Judiciary.

MEMBERS EXCUSED

Mr. Day was excused from the Session of today. Mr. Bernhagen was excused from the Session of today at 6:45 p.m. Mr. Solon was excused from the Session of today at 6:00 p.m. Mr. Larson was excused from the Session of today from 6:15 to 6:30 p.m. Mr. Beckman was excused from the Session of today from 6:30 to 6:45 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Monday, April 6, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate