

## EIGHTY-NINTH DAY

St. Paul, Minnesota, Wednesday, April 13, 1994

The Senate met at 8:30 a.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 Senator Pat Piper.

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

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

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 11, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear President Spear:

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. 2425 and 2199.

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. 2066.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1994

Mr. President:

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

S.F. No. 2900: A bill for an act relating to education; appropriating money for education and related purposes to the state board of technical colleges, higher education board, state university board, and board of regents of the University of Minnesota, with certain conditions; modifying the award of grants for faculty exchange and temporary assignment programs; designating community colleges; establishing the mission of Fond du Lac campus; changing certain financial aid grants; modifying the child care grant program; clarifying an exemption to private, business, trade, and correspondence school licensing; providing for appointments; permitting rulemaking; adopting a post-secondary funding formula; permitting the higher education board to establish tuition rates for the 1995-1996 academic year; postponing mandated planning; amending Minnesota Statutes 1992, sections 135A.01; 135A.03, subdivisions 1a, and by adding subdivisions; 135A.04; 136.60, subdivisions 1 and 3; 136A.101, subdivision 5; 136A.121, subdivisions 5, 17, and by adding subdivisions; 136A.125, subdivisions 2, 4, and by adding a subdivision; 136A.15, subdivision 6; and 141.35; Minnesota Statutes 1993 Supplement, sections 125.138, subdivisions 1, 6, and 8; and 135A.05; 136A.121, subdivision 6; Laws 1993, First Special Session chapter 2, article 5, section 2; proposing coding for new law in Minnesota Statutes, chapters 135A; and 136; repealing Minnesota Statutes 1992, sections 135A.02; 135A.03, subdivisions 1, 2, 3, 4, 5, and 6; 136.60, subdivision 4; and 136C.36.

Senate File No. 2900 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1994

Mr. Stumpf moved that the Senate do not concur in the amendments by the House to S.F. No. 2900, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following

House Files, herewith transmitted: H.F. Nos. 2023, 2124 and 2478.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 12, 1994

### FIRST READING OF HOUSE BILLS

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

H.F. No. 2023: A bill for an act relating to family law; adding a relevant factor in determination of a child's best interests; amending Minnesota Statutes 1992, section 518.17, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1895, now on General Orders.

H.F. No. 2124: A bill for an act relating to retirement; state university and state community college individual retirement account plans; clarifying various plan provisions; providing for plan coverage for technical college teachers; providing for an optional election of plan coverage for certain state university and community college teachers; mandating the preparation of plan recodification legislation; amending Minnesota Statutes 1992, sections 353.27, subdivision 7a; 354.05, subdivision 2a; 354.42, subdivision 7; 354B.01, by adding a subdivision; 354B.015; and 354B.02, subdivision 2, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 352.04, subdivision 9; 354A.011, subdivision 27; 354B.02, subdivision 1; and 354B.05, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 354B; proposing coding for new law as Minnesota Statutes, chapter 354C.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1860, now on General Orders.

H.F. No. 2478: A bill for an act relating to retirement; first class city teachers; defining salary; authorizing purchase of service credit for parental or maternity leave; resumption of teaching by basic program retirees; authorizing certain bylaw amendments by the Minneapolis and St. Paul teachers retirement fund associations; amending Minnesota Statutes 1992, sections 354A.011, subdivision 24; 354A.095; and 354A.31, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2251, now on General Orders.

### 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 referred

S.F. No. 2558: A bill for an act relating to taxation; increasing the rate of tax on the income of certain individuals, estates, and trusts; abolishing the tax on hospitals and health care providers; appropriating the revenue from the rate increase to the health care access fund; amending Minnesota Statutes 1992,

sections 290.06, subdivisions 2c and 2d; and 290.62; Minnesota Statutes 1993 Supplement, sections 62P.04, subdivision 1; 214.16, subdivision 3; and 270B.01, subdivision 8; repealing Minnesota Statutes 1992, sections 295.50, as amended; 295.52, as amended; and 295.55, as amended; Minnesota Statutes 1993 Supplement, sections 144.1484, subdivision 2; 295.51, subdivision 1; 295.53; 295.54; 295.57; 295.58; 295.582; and 295.59.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 214.16, subdivision 3, is amended to read:

Subd. 3. [GROUNDS FOR DISCIPLINARY ACTION.] The board shall take disciplinary action, which may include license revocation, against a regulated person for:

(1) intentional failure to provide the commissioner of health or the health care analysis unit established under section 62J.30 with the data required under chapter 62J;

(2) intentional failure to provide the commissioner of revenue with data on gross revenue and other information required for the commissioner to implement sections 295.50 to 295.58; and

(3) intentional failure to pay the health care provider tax required under section 295.52.

Sec. 2. Minnesota Statutes 1992, 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, 1991, must be computed by applying to their taxable net income the following schedule of rates:

(1) On the first ~~\$19,910~~ \$22,880, 6 percent;

(2) On all over ~~\$19,910~~ \$22,880, but not over ~~\$79,120~~ \$75,000, 8 percent;

(3) On all over ~~\$79,120, 8.5~~ \$75,000, 9.7 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~~ \$15,650, 6 percent;

(2) On all over ~~\$13,620~~ \$15,650, but not over ~~\$44,750~~ \$42,420, 8 percent;

(3) On all over ~~\$44,750, 8.5~~ \$42,420, 9.7 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, 1991, must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$16,770~~ \$19,270, 6 percent;
- (2) On all over ~~\$16,770~~ \$19,270, but not over ~~\$67,390~~ \$63,870, 8 percent;
- (3) On all over ~~\$67,390~~ ~~8.5~~ \$63,870, 9.7 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, 1991, less the deduction allowed by section 217 of the Internal Revenue Code of 1986, as amended through December 31, 1991, 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, 1991, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

Sec. 3. Minnesota Statutes 1992, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] (a) For taxable years beginning after December 31, 1991, the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage determined under paragraph (b). For the purpose of making the adjustment as provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets as they existed for taxable years beginning after December 31, 1990, and before January 1, 1992, *except that the minimum and maximum dollar amounts for each rate bracket as amended in section 2 shall be adjusted according to this subdivision for taxable years beginning after December 31, 1995.* The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

(b) The commissioner shall adjust the rate brackets and by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code of 1986, as amended through December 31, 1991, except that in section 1(f)(3)(B) the word "1990" shall be substituted for the word "1987." For 1991, the commissioner shall then determine the percent change from the 12 months ending on August 31, 1990, to the 12 months ending on August 31, 1991, and in each subsequent year, from the 12 months ending on August 31, 1990, to the 12 months ending on August 31 of the year preceding the taxable year. *For taxable years beginning after December 31, 1995, the rate brackets amended in section 2 shall be adjusted according to the percentage change from the 12 months ending on August 31, 1994, to the 12 months ending on August 31 of the year preceding the taxable year.* The determination of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be subject to the administrative procedure act contained in chapter 14.

No later than December 15 of each year, the commissioner shall announce the specific percentage that will be used to adjust the tax rate brackets.

Sec. 4. Minnesota Statutes 1992, section 290.62, is amended to read:

290.62 [DISTRIBUTION OF REVENUES.]

(a) *Except as provided in paragraph (b),* all revenues derived from the taxes, interest, penalties and charges under this chapter shall, notwithstanding any other provisions of law, be paid into the state treasury and credited to the general fund, and be distributed as follows:

(1) There shall, notwithstanding any other provision of the law, be paid from this general fund all refunds of taxes erroneously collected from taxpayers under this chapter as provided herein;

(2) There is hereby appropriated to the persons entitled to payment herein, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

(b) *The amount of revenue determined by the commissioner to have been derived from the rate increase in section 2 shall be paid into the state treasury and credited to the health care access fund.*

Sec. 5. Minnesota Statutes 1993 Supplement, section 295.50, subdivision 3, is amended to read:

Subd. 3. [GROSS REVENUES.] "Gross revenues" are total amounts received in money or otherwise by:

- (1) a resident hospital for patient services;
- (2) a resident surgical center for patient services;
- (3) a nonresident hospital for patient services provided to patients domiciled in Minnesota; *and*
- (4) a nonresident surgical center for patient services provided to patients domiciled in Minnesota;
- (5) ~~a resident health care provider, other than a staff model health carrier,~~  
for patient services;

(6) a nonresident health care provider for patient services provided to an individual domiciled in Minnesota;

(7) a wholesale drug distributor for sale or distribution of prescription drugs that are delivered: (i) to a Minnesota resident by a wholesale drug distributor who is a nonresident pharmacy directly, by common carrier, or by mail; or (ii) in Minnesota by the wholesale drug distributor, by common carrier, or by mail, unless the prescription drugs are delivered to another wholesale drug distributor. Prescription drugs do not include nutritional products as defined in Minnesota Rules, part 9505.0325;

(8) a staff model health carrier as gross premiums for enrollees, copayments, deductibles, coinsurance, and fees for patient services covered under its contracts with groups and enrollees;

(9) a resident pharmacy for medical supplies, appliances, and equipment; and

(10) a nonresident pharmacy for medical supplies, appliances, and equipment.

Sec. 6. Minnesota Statutes 1993 Supplement, section 295.50, subdivision 9b, is amended to read:

Subd. 9b. [PATIENT SERVICES.] "Patient services" means inpatient and outpatient services and other goods and services provided by hospitals, or surgical centers; ~~or health care providers~~. They include the following health care goods and services provided to a patient or consumer:

(1) bed and board;

(2) nursing services and other related services;

(3) use of hospitals, or surgical centers; ~~or health care provider facilities~~;

(4) medical social services;

(5) drugs, biologicals, supplies, appliances, and equipment;

(6) other diagnostic or therapeutic items or services;

(7) medical or surgical services;

(8) items and services furnished to ambulatory patients not requiring emergency care;

(9) emergency services; and

(10) covered services listed in section 256B.0625 and in Minnesota Rules, parts 9505.0170 to 9505.0475.

Sec. 7. Minnesota Statutes 1993 Supplement, section 295.51, subdivision 1, is amended to read:

Subdivision 1. [BUSINESS TRANSACTIONS IN MINNESOTA.] A hospital, or surgical center, ~~pharmacy, 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 surgical center, ~~pharmacy, or health care provider~~ is transacting business in Minnesota only if it:

(1) maintains an office in Minnesota used in the trade or business of providing patient services ~~or medical supplies, appliances, or equipment~~;

(2) has employees, representatives, or independent contractors conducting business in Minnesota related to the trade or business of providing patient services ~~or medical supplies, appliances, or equipment~~;

(3) regularly provides patient services ~~or medical supplies, appliances, or equipment~~ to customers that receive the services in Minnesota;

(4) regularly solicits business from potential customers in Minnesota. A hospital, ~~or surgical center, pharmacy, or health care provider~~ is presumed to regularly solicit business within Minnesota if it receives gross receipts for patient services ~~or medical supplies, appliances, or equipment~~ from 20 or more patients domiciled in Minnesota in a calendar year;

(5) regularly performs services outside Minnesota the benefits of which are consumed in Minnesota;

(6) owns or leases tangible personal or real property physically located in Minnesota and used in the trade or business of providing patient services ~~or medical supplies, appliances, or equipment~~; or

(7) receives medical assistance payments from the state of Minnesota.

Sec. 8. Minnesota Statutes 1993 Supplement, section 295.53, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTIONS.] The following payments are excluded from the gross revenues subject to the hospital, ~~or surgical center, or health care provider~~ taxes under sections 295.50 to 295.57:

(1) payments received for services provided under the Medicare program, including payments received from the government, and organizations governed by sections 1833 and 1876 of title XVIII of the federal Social Security Act, United States Code, title 42, section 1395, and enrollee deductibles, coinsurance, and copayments, whether paid by the individual or by insurer or other third party. Payments for services not covered by Medicare are taxable;

(2) medical assistance payments including payments received directly from the government or from a prepaid plan;

(3) payments received for home health care services;

(4) payments received from hospitals or surgical centers for goods and services on which liability for tax is imposed under section 295.52 or the source of funds for the payment is exempt under clause (1), (2), (7), (8), or (10);

(5) payments received from health care providers for goods and services on which liability for tax is imposed under sections 295.52 to 295.57 or the source of funds for the payment is exempt under clause (1), (2), (7), (8), or (10);

(6) amounts paid for prescription drugs, other than nutritional products, to a wholesale drug distributor reduced by reimbursements received for prescription drugs under clauses (1), (2), (7), and (8);

(7) payments received under the general assistance medical care program including payments received directly from the government or from a prepaid plan;



(8) (4) payments received for providing services under the MinnesotaCare program including payments received directly from the government or from a prepaid plan and enrollee deductibles, coinsurance, and copayments;

(9) payments received by a resident health care provider or the wholly owned subsidiary of a resident health care provider for care provided outside Minnesota to a patient who is not domiciled in Minnesota;

(10) (5) payments received from the chemical dependency fund under chapter 254B;

(11) (6) payments received in the nature of charitable donations that are not designated for providing patient services to a specific individual or group;

(12) (7) payments received for providing patient services if the services are incidental to conducting medical research; and

(13) (8) payments received from any governmental agency for services benefiting the public, not including payments made by the government in its capacity as an employer or insurer;

(14) payments received for services provided by community residential mental health facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, community support programs and family community support programs approved under Minnesota Rules, parts 9535.1700 to 9535.1760, and community mental health centers as defined in section 245.62, subdivision 2; and

(15) government payments received by a regional treatment center.

Sec. 9. Minnesota Statutes 1993 Supplement, section 295.53, subdivision 3, is amended to read:

Subd. 3. [RESTRICTION ON ITEMIZATION.] A hospital, or surgical center, ~~pharmacy, or health care provider~~ must not separately state the tax obligation under section 295.52 on bills provided to individual patients.

Sec. 10. Minnesota Statutes 1993 Supplement, section 295.53, subdivision 4, is amended to read:

Subd. 4. [DEDUCTION FOR RESEARCH.] (a) In addition to the exemptions allowed under subdivision 1, a hospital ~~or health care provider~~ which is exempt under section 501(c)(3) of the Internal Revenue Code of 1986 or is owned and operated under authority of a governmental unit, may deduct from its gross revenues subject to the hospital ~~or health care provider taxes tax~~ under sections 295.50 to 295.57 revenues equal to expenditures for allowable research programs.

(b) For purposes of this subdivision, expenditures for allowable research programs are the direct and general program costs for activities which are part of a formal program of medical and health care research approved by the governing body of the hospital ~~or health care provider~~ which also includes active solicitation of research funds from government and private sources. Any allowable research on humans or animals must be subject to review by appropriate regulatory committees operating in conformity with federal regulations such as an institutional review board or an institutional animal care and use committee. Costs of clinical research activities paid directly for the benefit of an individual patient are excluded from this exemption. Basic

research in fields including biochemistry, molecular biology, and physiology are also included if such programs are subject to a peer review process.

(c) No deduction shall be allowed under this subdivision for any revenue received by the hospital ~~or health care provider~~ in the form of a grant, gift, or otherwise, whether from a government or nongovernment source, on which the tax liability under section 295.52 is not imposed or for which the tax liability under section 295.52 has been received from a third party as provided for in section 295.582.

(d) Effective beginning with calendar year 1995, the taxpayer shall not take the deduction under this section into account in determining estimated tax payments or the payment made with the annual return under section 295.55. The total deduction allowable to all taxpayers under this section for calendar years beginning after December 31, 1994, may not exceed \$65,000,000. To implement this limit, each qualifying hospital ~~and qualifying health care provider~~ shall submit to the commissioner by March 15 its total expenditures qualifying for the deduction under this section for the previous calendar year. The commissioner shall sum the total expenditures of all taxpayers qualifying under this section for the calendar year. If the resulting amount exceeds \$65,000,000, the commissioner shall allocate a part of the \$65,000,000 deduction limit to each qualifying hospital and health care provider in proportion to its share of the total deductions. The commissioner shall pay a refund to each qualifying hospital or provider equal to its share of the deduction limit multiplied by two percent. The commissioner shall pay the refund no later than May 15 of the calendar year.

Sec. 11. Minnesota Statutes 1993 Supplement, section 295.54, is amended to read:

**295.54 [CREDIT FOR TAXES PAID TO ANOTHER STATE.]**

A resident hospital, ~~or resident surgical center, pharmacy, 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. 12. Minnesota Statutes 1992, section 295.55, subdivision 3, is amended to read:

Subd. 3. [ESTIMATED TAX; OTHER TAXPAYERS.] (a) Each ~~taxpayer, other than a hospital, surgical center~~ 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.

Sec. 13. Minnesota Statutes 1993 Supplement, section 295.582, is amended to read:

295.582 [AUTHORITY.]

A hospital, ~~or surgical center, pharmacy, or health care provider~~ that is subject to a tax under section 295.52 may transfer additional expense generated by section 295.52 obligations on to all third-party contracts for the purchase of health care services on behalf of a patient or consumer. The expense 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 expense must not be generated on revenues derived from payments that are excluded from the tax under section 295.53. All third-party purchasers of health care services including, but not limited to, third-party purchasers regulated under chapter 60A, 62A, 62C, 62D, 64B, or 62H, must pay the transferred expense in addition to any payments due under existing or future contracts with the hospital, ~~or surgical center, pharmacy, or health care provider~~, to the extent allowed under federal law. Nothing in this subdivision limits the ability of a hospital, ~~or surgical center, pharmacy, or health care provider~~ to recover all or part of the section 295.52 obligation by other methods, including increasing fees or charges.

Sec. 14. [REPEALER.]

*Minnesota Statutes 1992, sections 295.50, subdivisions 6, 8, and 11; and 295.52, subdivisions 2, 3, and 4; Minnesota Statutes 1993 Supplement, sections 295.50, subdivisions 4, 9a, 10a, 10b, 12a, 12b, and 14; 295.52, subdivisions 1b and 5; and 295.53, subdivisions 2 and 5, are repealed.*

Sec. 15. [EFFECTIVE DATE.]

*Section 2 is effective for taxable years beginning after December 31, 1994. Sections 5 to 14 are effective for gross revenues generated by services performed and goods sold after September 30, 1994."*

Delete the title and insert:

"A bill for an act relating to taxation; increasing the rate of tax on the income of certain individuals, estates, and trusts; abolishing the tax on health care providers; appropriating the revenue from the rate increase to the health care access fund; amending Minnesota Statutes 1992, sections 290.06, subdivisions 2c and 2d; 290.62; and 295.55, subdivision 3; Minnesota Statutes 1993 Supplement, sections 214.16, subdivision 3; 295.50, subdivisions 3 and 9b; 295.51, subdivision 1; 295.53, subdivisions 1, 3, and 4; 295.54; and 295.582; repealing Minnesota Statutes 1992, sections 295.50, subdivisions 6, 8, and 11; 295.52, subdivisions 2, 3, and 4; Minnesota Statutes 1993 Supplement, sections 295.50, subdivisions 4, 9a, 10a, 10b, 12a, 12b, and 14; 295.52, subdivisions 1b and 5; and 295.53, subdivisions 2 and 5."

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

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

S.F. No. 2494: A bill for an act relating to taxation; imposing a surtax on the tax liabilities of individuals, estates, and trusts; abolishing the tax on hospitals and health care providers; appropriating the proceeds of the surtax to the health care access fund; amending Minnesota Statutes 1992, sections 290.06, by adding a subdivision; and 290.62; Minnesota Statutes 1993 Supplement, sections 62P.04, subdivision 1; 214.16, subdivision 3; and 270B.01, subdivision 8; repealing Minnesota Statutes 1992, sections 295.50, as amended; 295.51, as amended; 295.52, as amended; 295.53, as amended; 295.54, as amended; 295.55, as amended; 295.57, as amended; 295.58, as amended; and 295.59, as amended; Minnesota Statutes 1993 Supplement, sections 144.1484, subdivision 2; and 295.582.

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

Delete everything after the enacting clause and insert:

**“Section 1. [STATEMENT OF LEGISLATIVE INTENT.]**

*Universal health care coverage is the cornerstone of our ongoing health care reform efforts, which involve achieving control over the cost of health care and providing high quality health care in an efficient manner to all who need it. Therefore, it is the intention of the legislature that the state keep its commitment to the people of Minnesota to provide universal health care coverage without delay. In order to provide this coverage, the legislature in this act provides a temporary source of funding that will make this coverage possible now while awaiting enactment of a law by the 1995 legislature that will provide a permanent funding source.*

**Sec. 2. [HEALTH CARE ACCESS RESERVE ACCOUNT.]**

*Subdivision 1. [HEALTH CARE ACCESS ESTABLISHMENT.] There is established a health care access reserve account in the general fund of the state treasury for the deposit of funds to ensure adequate funding for providing universal health care coverage for the biennium beginning July 1, 1995.*

*Subd. 2. [INITIAL TRANSFER.] The commissioner of finance shall transfer \$75,000,000 to the health care access reserve account on July 1, 1994.”*

Delete the title and insert:

**“A bill for an act relating to health care financing; stating the intent of the legislature to provide universal health care coverage; providing for transfer of funds to the health care access reserve account.”**

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2666 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

**GENERAL ORDERS**

H.F. No.	S.F. No.
2666	2421

**CONSENT CALENDAR**

H.F. No.	S.F. No.
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**CALENDAR**

H.F. No.	S.F. No.
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Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2666 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2666 and insert the language after the enacting clause of S.F. No. 2421, the first engrossment; further, delete the title of H.F. No. 2666 and insert the title of S.F. No. 2421, the first engrossment.

And when so amended H.F. No. 2666 will be identical to S.F. No. 2421, and further recommends that H.F. No. 2666 be given its second reading and substituted for S.F. No. 2421, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2433 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2433	2205				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 664 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
664	614				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 664 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 664 and insert the language after the enacting clause of S.F. No. 614, the first engrossment; further, delete the title of H.F. No. 664 and insert the title of S.F. No. 614, the first engrossment.

And when so amended H.F. No. 664 will be identical to S.F. No. 614, and

further recommends that H.F. No. 664 be given its second reading and substituted for S.F. No. 614, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

S.F. No. 2033: A bill for an act relating to local government; authorizing the board of county commissioners of Benton county to establish an economic development authority.

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

Page 1, line 17, delete the comma and insert a period

Page 1, delete lines 18 to 20 and insert *"A project may not be commenced by the authority until it has been approved by (1) a majority of the overall economic development committee created by action of the county board on December 15, 1987, (2) a majority of the members of that committee who represent cities on the committee, and (3) in the case of a project that is to be located within the corporate limits of a city, a majority of the governing body of"*

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

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

S.F. No. 2704: A bill for an act relating to taxation; property; expanding open space valuation to include certain lawn bowling or croquet green property; amending Minnesota Statutes 1993 Supplement, section 273.112, subdivision 3.

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

Page 1, line 12, delete *"green"*

Page 1, line 17, after *"individuals"* insert *"or, in the case of a lawn bowling or croquet green, by private individuals or corporations,"*

Page 2, after line 36, insert:

*"Sec. 2. [EFFECTIVE DATE.]*

*Section 1 is effective for taxes levied in 1994, payable in 1995, and thereafter."*

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

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

H.F. No. 1901: A bill for an act relating to local government; permitting the city of Hutchinson to incur debt for certain improvements; authorizing a reverse referendum on the issuance of city bonds.

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

Page 2, line 1, after "I" insert "*by June 30, 1994*"

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

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

S.F. No. 2206: A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community programs; facilities; organization and cooperation; commitment to excellence; other education programs; miscellaneous provisions; libraries; state agencies; conforming references to repealed law; appropriating money; amending Minnesota Statutes 1992, sections 13.04, by adding a subdivision; 120.062, subdivision 12, and by adding a subdivision; 120.101, subdivision 5, and by adding a subdivision; 120.17, subdivision 1; 121.612, subdivision 7; 121.904, subdivision 4e; 121.935, subdivision 6; 122.23, subdivisions 6, 8, 10, 13, and by adding a subdivision; 122.531, subdivision 9; 122.533; 122.91, subdivision 3; 122.937, subdivision 4; 123.35, subdivision 19a, and by adding subdivisions; 123.3514, subdivisions 3 and 4; 123.39, subdivision 1; 123.58, subdivisions 2 and 4; 123.78, by adding a subdivision; 124.17, subdivision 1d; 124.19, subdivision 1b; 124.195, subdivision 3a; 124.214, subdivision 2; 124.223, subdivision 1, and by adding subdivisions; 124.225, by adding subdivisions; 124.244, subdivision 4; 124.248, subdivision 3; 124.26, subdivision 1b; 124.2601, subdivisions 3, 5, and 7; 124.2711, by adding a subdivision; 124.2713, by adding a subdivision; 124.2721, subdivisions 1 and 5; 124.2725, subdivision 16; 124.46, subdivision 3; 124.573, by adding a subdivision; 124.90, by adding a subdivision; 124.912, subdivision 6, and by adding a subdivision; 124.914, subdivision 1; 124.95, subdivision 4; 124A.02, by adding a subdivision; 124A.26, by adding a subdivision; 124A.28, by adding a subdivision; 125.09, subdivision 1; 125.135, subdivision 2; 125.188, subdivision 1; 126.02, subdivision 1; 126.23; 126.51, subdivision 1; 126.69, subdivisions 1 and 3; 126A.04, subdivision 5; 127.03, subdivision 3; 127.27, subdivision 5; 129C.15, by adding a subdivision; 134.195, subdivision 10; 136A.125, subdivision 3; 136D.23, subdivision 2; 136D.26; 136D.281, by adding a subdivision; 136D.74, subdivision 2a; 136D.741, by adding a subdivision; 136D.83, subdivision 2; 136D.86; 136D.88, by adding a subdivision; 169.01, subdivision 6; 169.442, subdivision 1; 169.443, subdivision 8; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3, and by adding subdivisions; 171.3215; 272.02, subdivision 8; 475.61, subdivision 4; 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 16A.152, subdivision 2; 120.064, subdivisions 3, 8, 9, and 16; 120.101, subdivision 5b; 120.17, subdivisions 3, 11b, 12, and 17; 121.11, subdivision 7d; 121.702, subdivisions 2 and 9; 121.703; 121.705; 121.706; 121.707; 121.708; 121.709; 121.710; 121.8355, subdivision 1; 121.885, subdivisions 1, 2, and 4; 121.904, subdivisions 4a and 4c; 123.351, subdivision 8; 123.58, subdivisions 6, 7, 8, and 9; 124.155, subdivisions 1 and 2; 124.17, subdivision 1; 124.19, subdivision 1; 124.225,

subdivision 1; 124.226, subdivisions 3a and 9; 124.243, subdivision 8; 124.244, subdivision 1; 124.248, subdivision 4; 124.26, subdivisions 1c and 2; 124.2711, subdivision 1; 124.2714; 124.2727, subdivisions 6a, 6d, and 8; 124.573, subdivisions 2b, 2e, and 3; 124.83, subdivision 1; 124.91, subdivisions 3 and 5; 124.914, subdivision 4; 124.95, subdivision 1; 124A.03, subdivisions 1c and 3b; 124A.22, subdivisions 5 and 9; 124A.225, subdivisions 1, 4, and by adding a subdivision; 124A.23, subdivision 1; 124A.29, subdivision 1; 124A.292, subdivision 3; 124C.60; 125.05, subdivision 1a; 125.138, subdivision 9; 125.185, subdivision 4; 125.230, subdivisions 3, 4, and 6; 125.231, subdivisions 1 and 4; 125.623, subdivision 3; 126.239, subdivision 3; 126.70, subdivisions 1 and 2a; 171.321, subdivision 2; 275.48; Laws 1992, chapter 499, article 6, section 34, subdivision 2; Laws 1993, chapter 224, articles 1, section 38; 4, section 44, subdivision 6; 5, sections 43 and 46, subdivisions 2, 3, and 4; 7, section 28, subdivisions 3 and 11; 12, sections 26 and 39; and 15, section 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 123; 124; 126; 134; 135A; 169; repealing Minnesota Statutes 1992, sections 121.935, subdivision 7; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivision 3; 136D.27; 136D.71, subdivision 2; 136D.73, subdivision 3; 136D.74, subdivisions 2a, 2b, and 4; 136D.82, subdivision 3; 136D.87; 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; 169.45; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 123.80; 124.2727, subdivisions 6, 7, and 8; Laws 1992, chapter 499, article 6, section 39, subdivision 3; Laws 1993, chapter 224, article 8, section 14; Minnesota Rules 1991, parts 3520.3600; and 3520.3700.

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

Pages 13 and 14, delete section 13

Page 16, after line 26, insert:

“Sec. 19. [SUPPLEMENTAL REVENUE REDUCTION.]

*For fiscal year 1995 only, if a district's ratio of 1992 adjusted net tax capacity divided by 1994-1995 actual pupil units to the equalizing factor is less than or equal to .25, then the difference under Minnesota Statutes, section 124A.22, subdivision 9, clause (2), is equal to \$50 for purposes of computing the district's supplemental revenue under Minnesota Statutes, section 124A.22, subdivision 8. For purposes of computing the referendum allowance reduction under Minnesota Statutes, section 124A.03, subdivision 3b, the supplemental revenue reduction shall be computed according to Minnesota Statutes, section 124A.22, subdivision 9.”*

Page 17, line 26, delete “one-half” and insert “.8”

Page 17, line 35, delete “\$66,730,000” and insert “\$66,930,000”

Page 18, after line 1, insert:

“Sec. 25. [REPEALER.]

*Minnesota Statutes 1992; sections 124A.02; 124A.029, subdivisions 1, 2, 3; 124A.03, subdivisions 1b, 1d, 1e, 1h, 1i, 2a, and 2b; 124A.032; 124A.034; 124A.035; 124A.036, subdivisions 1, 2, 3, and 4; 124A.04, subdivision 1; 124A.22, subdivisions 1, 2a, 3, 4a, 4b, 6a, 8a, and 8b; 124A.23, subdivisions*



2, 3, and 4; 124A.24; 124A.26, subdivisions 1a, 2, and 3; 124A.28; 124A.29, subdivision 2; 124A.30; 124A.31; 124A.697; 124A.71; 124A.72; 124A.73; Minnesota Statutes 1993 Supplement, sections 124A.029, subdivision 4; 124A.03, subdivisions 1c, 1f, 1g, 2, and 3b; 124A.036, subdivision 5; 124A.04, subdivision 2; 124A.22, subdivisions 2, 4, 5, 6, 8, and 9; 124A.225; 124A.23, subdivisions 1 and 5; 124A.24; 124A.26, subdivisions 1 and 4; 124A.29, subdivision 1; 124A.291; 124A.292; 124A.698; and 124A.70; 124A.711, are repealed July 1, 1997.

*Laws 1993, chapter 224, article 1, section 37, is repealed.*"

Page 18, line 6, delete "18" and insert "17"

Page 18, line 15, delete "14" and insert "13"

Page 18, line 16, delete "19" and insert "18"

ReNUMBER the sections of article 1 in sequence

Page 85, delete lines 24 to 30 and insert:

*"Notwithstanding any law to the contrary, the department of education shall not make a levy adjustment for fiscal year 1995 for levies payable in 1995 for the change in the capital equipment allowance in section 2."*

Page 120, line 32, delete "up to ..."

Page 122, line 23, delete "\$1,000,000" and insert "\$800,000"

Page 129, line 9, delete "\$3" and insert "\$2"

Page 163, after line 16, insert:

"Sec. 11. Minnesota Statutes 1993 Supplement, section 125.706, is amended to read:

#### 125.706 [PREPARATION TIME.]

Beginning with agreements effective July 1, 1995, and thereafter, all collective bargaining agreements for teachers provided for under chapter 179A, must include provisions for preparation time or a provision indicating that the parties to the agreement chose not to include preparation time in the contract.

If the parties cannot agree on preparation time the following provision shall apply and be incorporated as part of the agreement: "Within the student day for every 25 minutes of *classroom* instructional time, a minimum of five additional minutes of preparation time shall be provided to each licensed teacher. Preparation time shall be provided in one or two uninterrupted blocks during the student day. Exceptions to this may be made by mutual agreement between the district and the exclusive representative of the teachers."

Pages 163 and 164, delete section 12

ReNUMBER the sections of article 9 in sequence

Page 205, line 11, delete "1991"

Amend the title as follows:

Page 1, line 8, after the first semicolon, insert "providing for appointments;"

Page 2, line 23, delete "subdivisions" and insert "subdivision" and delete "and 9"

Page 2, line 30, after the first semicolon, insert "125.706;"

Page 2, line 36, delete "sections 26 and 39" and insert "section 39"

Page 2, line 39, after "sections" insert "124A.02; 124A.029, subdivisions 1, 2, 3; 124A.03, subdivisions 1b, 1d, 1e, 1h, 1i, 2a, and 2b; 124A.032; 124A.034; 124A.035; 124A.036, subdivisions 1, 2, 3, and 4; 124A.04, subdivision 1; 124A.22, subdivisions 1, 2a, 3, 4a, 4b, 6a, 8a, and 8b; 124A.23, subdivisions 2, 3, and 4; 124A.24; 124A.26, subdivisions 1a, 2, and 3; 124A.28; 124A.29, subdivision 2; 124A.30; 124A.31; 124A.697; 124A.71; 124A.72; 124A.73;"

Page 2, line 49, before "Laws" insert "124A.029, subdivision 4; 124A.03, subdivisions 1c, 1f, 1g, 2, and 3b; 124A.036, subdivision 5; 124A.04, subdivision 2; 124A.22, subdivisions 2, 4, 5, 6, 8, and 9; 124A.225; 124A.23, subdivisions 1 and 5; 124A.24; 124A.26, subdivisions 1 and 4; 124A.29, subdivision 1; 124A.291; 124A.292; 124A.698; 124A.70; 124A.711;"

Page 2, line 52, delete "1991"

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 2558, 2033, 2704 and 2206 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 2666, 2433, 664 and 1901 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Larson introduced—

Senate Resolution No. 76: A Senate resolution commending Jim Vetter, State Commander of the Minnesota Veterans of Foreign Wars, for his dedicated and effective service.

Referred to the Committee on Rules and Administration.

Ms. Lesewski introduced—

Senate Resolution No. 77: A Senate resolution congratulating the Pipestone-Jasper Arrow Marching Band for its performance at the Tournament of Roses Parade.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

## CALENDAR

S.F. No. 2004: A bill for an act relating to the city of Two Harbors; permitting an additional lodging tax.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

### CONSENT CALENDAR

H.F. No. 2623: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Itasca county.

Mr. Finn moved to amend H.F. No. 2623, as amended pursuant to Rule 49, adopted by the Senate April 6, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2562.)

Page 4, after line 27, insert:

**"Sec. 4. [EXCHANGE OF STATE LAND; BEMIDJI STATE UNIVERSITY AND CITY OF BEMIDJI.]**

*(a) Notwithstanding Minnesota Statutes, sections 94.341 to 94.349, and subject to the approval of the land exchange board, the state shall exchange the Bemidji state university property described in paragraph (c) for the property of the city of Bemidji described in paragraph (d), without delay.*

*(b) The exchange must be in a form approved by the attorney general after the attorney general has determined, in the manner provided in Minnesota Statutes, section 94.343, subdivision 9, that the title to the land proposed to be conveyed to the state is good and marketable. The land the state receives must be substantially equal in value to the state land exchanged, as provided in Minnesota Statutes, section 94.343, subdivision 3, and any deficiency in value must be paid to the state.*

*(c) The state property to be exchanged is located in Beltrami county and is described as follows:*

*Parcel B. That part of Lot 5, Block 1, Omichs Second Addition to Bemidji described as follows:*

*Commencing at the Northwest corner of Lot 5; thence East along the North line of Lot 5 a distance of 63.83 feet to the actual point of beginning; thence continuing East along said North line of Lot 5 a distance of 101.17 feet to a point which is the Northeast corner of the West one-half (1/2) of Lot 5; thence South along the East line of the West one-half (1/2) of Lot 5 a distance of 70.78 feet; thence deflecting Northwesterly to the right 126 degrees on a bearing of North 54 degrees West a distance of 94.15 feet; thence continuing Northwesterly along a curve concave to the left, having a radius of 243 feet and a cord bearing of North 58 degrees 18 minutes 13 seconds West with a cord distance of 29.39 feet, to the point of beginning;*

*containing .14 acres, more or less.*

(d) The land to be received by the state in the exchange is located in Beltrami county and is described as follows:

*Parcel A. That part of Lot 4 and Lot 7, Block 1, Omichs Second Addition to Bemidji described as follows:*

*Commencing at the Southeast corner of Lot 7; thence West along the South line of Lot 7 a distance of 240.00 feet; thence North along a line drawn at right angles to the South line of Lot 7 a distance of 31.08 feet; thence East along a line drawn at right angles to the last described course and parallel with the South line of Lot 7 a distance of 186.02 feet; thence Southeasterly along a curve concave to the right, having a radius of 243.00 feet and a cord bearing of South 75 degrees 12 minutes 36 seconds East with a cord distance of 121.75 feet to a point on the South line of Lot 4, thence West along the South line of Lot 4 a distance of 63.83 feet to the point of beginning;*

*containing .19 acres, more or less.*

(e) As part of state aid project no. 105-121-01, the city of Bemidji is realigning a portion of municipal street right-of-way designated as 23rd Street NE, and the property described in paragraph (c) is needed to accomplish the relocation. The city and Bemidji state university have determined that the exchange would be mutually beneficial."

Page 4, line 28, delete "4" and insert "5"

Page 4, line 29, delete "3" and insert "4"

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "authorizing an exchange of state land for land owned by the city of Bemidji;"

The motion prevailed. So the amendment was adopted.

Ms. Robertson moved that H.F. No. 2623, No. 1 on the Consent Calendar, be stricken and placed on General Orders. The motion prevailed.

## MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 2189 be taken from the table. The motion prevailed.

H.F. No. 2189: A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; commitment to excellence; other programs; miscellaneous provisions;

libraries; state agencies; school bus safety; conforming amendments; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 13.04, by adding a subdivision; 120.101, by adding a subdivision; 120.17, subdivision 1; 121.612, subdivision 7; 121.912, subdivision 5; 121.935, subdivision 6; 122.23, subdivisions 6, 8, 10, 13, and by adding a subdivision; 122.531, subdivision 9; 122.533; 122.91, subdivision 3; 122.937, subdivision 4; 123.35, subdivision 19a, and by adding subdivisions; 123.3514, subdivision 4; 123.39, subdivision 1; 123.58, subdivisions 2 and 4; 124.195, subdivisions 3, 6, and by adding a subdivision; 124.223, subdivision 1; 124.244, subdivision 4; 124.26, subdivision 1b; 124.2601, subdivisions 3, 5, and 7; 124.2711, by adding a subdivision; 124.2713, by adding a subdivision; 124.2721, subdivisions 1 and 5; 124.2725, subdivision 16; 124.278, subdivision 1; 124.6472, subdivision 1; 124.84, by adding a subdivision; 124.85; 124.90, by adding a subdivision; 124.912, by adding a subdivision; 124.95, subdivision 4; 124A.02, by adding subdivisions; 124A.03, subdivision 2a; 124A.22, subdivision 2a; 124A.26, by adding a subdivision; 124C.49; 125.09, subdivision 1; 125.188, subdivision 1; 126.02, subdivision 1; 126.15, subdivision 4; 126.23; 126.69, subdivisions 1 and 3; 126.77, subdivision 1; 126.78; 127.27, subdivision 5; 127.30, by adding a subdivision; 127.31, by adding a subdivision; 127.38; 129C.15, by adding a subdivision; 134.195, subdivision 10; 136D.22, by adding subdivisions; 136D.72, by adding subdivisions; 136D.82, by adding subdivisions; 169.01, subdivision 6; 169.21, subdivision 2; 169.442, subdivision 1; 169.443, subdivision 8, and by adding a subdivision; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.45, subdivision 1; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3; 171.3215; 179A.07, subdivision 6; 260.181, subdivision 2; 272.02, subdivision 8; 475.61, subdivision 4; and 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 120.062, subdivision 5; 120.064, subdivision 16; 120.17, subdivisions 11b, 12, and 17; 121.11, subdivisions 7c and 7d; 121.702, subdivisions 2 and 9; 121.703; 121.705; 121.706; 121.707; 121.708; 121.709; 121.710; 121.831, subdivision 9; 121.885, subdivisions 1, 2, and 4; 123.3514, subdivisions 6 and 6b; 123.58, subdivisions 6, 7, 8, and 9; 123.951; 124.155, subdivisions 1 and 2; 124.17, subdivisions 1 and 2f; 124.225, subdivisions 1 and 7e; 124.226, subdivisions 3a and 9; 124.2455; 124.26, subdivisions 1c and 2; 124.2711, subdivision 1; 124.2713, subdivision 5; 124.2714; 124.2727, subdivisions 6 and 6a; 124.573, subdivision 2b; 124.6469, subdivision 3; 124.91, subdivisions 3 and 5; 124.914, subdivision 4; 124.95, subdivision 1; 124A.029, subdivision 4; 124A.03, subdivisions 1c, 2, and 3b; 124A.22, subdivisions 5, 6, 8, and 9; 124A.225, subdivisions 1, 3, 4, and 5; 124A.29, subdivision 1; 124A.292, subdivision 3; 125.05, subdivision 1a; 125.138, subdivision 9; 125.185, subdivision 4; 125.230, subdivisions 3, 4, and 6; 125.231, subdivisions 1 and 4; 125.623, subdivision 3; 125.706; 126.239, subdivision 3; 126.70, subdivisions 1 and 2a; 127.46; 171.321, subdivision 2; 275.48; Laws 1992, chapter 499, articles 6, section 34; and 11, section 9; Laws 1993, chapter 224, articles 2, section 15, subdivision 2, as amended; 3, sections 36, subdivision 2; 38, subdivision 22; 5, sections 43; 46, subdivisions 2, 3, and 4; 6, section 30, subdivisions 2 and 6; 7, section 28, subdivisions 3, 4, 9, and 11; 8, sections 20, subdivision 2; 22, subdivisions 6, 7, and 12; 12, sections 39 and 41; and 15, section 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 125; 126; 127; 134; and 169; 473; repealing Minnesota Statutes 1992, sections 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22,

subdivisions 1 and 3; 136D.71, subdivision 2; 136D.72, subdivisions 1, 2, and 5; 136D.82, subdivisions 1 and 3; 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 123.80; 124.2727, subdivision 8; 124A.225, subdivision 2; Laws 1992, chapter 499, article 6, section 39, subdivision 3; Law 1993, chapter 224, articles 1, section 37; 8, section 14; Minnesota Rules, parts 3520.3600; 3520.3700; 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030.

### 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. 2189 and that the rules of the Senate be so far suspended as to give H.F. No. 2189 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2189 was read the second time.

Mr. Pogemiller moved to amend H.F. No. 2189 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2189, and insert the language after the enacting clause, and the title, of S.F. No. 2206, the third engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Price moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 115, line 14, strike "in fiscal year 1994," and delete "three" and strike "percent in fiscal year 1995, and"

Page 115, line 15, strike "thereafter"

### CALL OF THE SENATE

Mr. Pogemiller imposed a call of the Senate for the balance of the proceedings on H.F. No. 2189. The Sergeant at Arms was instructed to bring in the absent members.

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

Mr. Merriam moved that those not voting be excused from voting.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 37 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Kroening	Morse	Solon
Berglin	Hanson	Langseth	Pappas	Spear
Bertram	Hottinger	Luther	Piper	Stumpf
Betzold	Janezich	Marty	Ranum	Vickerman
Chandler	Johnson, D.J.	Merriam	Reichgott Junge	Wiener
Chmielewski	Johnson, J.B.	Metzen	Riveness	
Cohen	Kelly	Moe, R.D.	Robertson	
Finn	Krentz	Mondale	Sams	

Those who voted in the negative were:

Beckman	Day	Kiscaden	Murphy	Pogemiller
Belanger	Dille	Knutson	Neuville	Price
Benson, D.D.	Frederickson	Laidig	Oliver	Runbeck
Benson, J.E.	Johnson, D.E.	Larson	Olson	Stevens
Berg	Johnston	Lesewski	Pariseau	Terwilliger

The motion prevailed.

The roll was called on the Price amendment, and there were yeas 31 and nays 31, as follows:

Those who voted in the affirmative were:

Belanger	Day	Laidig	Murphy	Runbeck
Benson, D.D.	Dille	Lesewski	Neuville	Stevens
Benson, J.E.	Frederickson	Luther	Oliver	Terwilliger
Berg	Johnson, D.E.	Marty	Olson	
Betzold	Johnson, J.B.	Merriam	Pariseau	
Chandler	Johnston	Metzen	Price	
Cohen	Kiscaden	Morse	Riveness	

Those who voted in the negative were:

Adkins	Hanson	Kroening	Pogemiller	Stumpf
Beckman	Hottinger	Langseth	Ranum	Vickerman
Berglin	Janezich	Larson	Reichgott Junge	Wiener
Bertram	Johnson, D.J.	Moe, R.D.	Robertson	
Chmielewski	Kelly	Mondale	Sams	
Finn	Knutson	Pappas	Solon	
Flynn	Krentz	Piper	Spear	

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

Mrs. Benson, J.E. moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 115, line 14, reinstate the stricken "two" and delete "three"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Dille	Laidig	Morse	Riveness
Benson, D.D.	Frederickson	Larson	Murphy	Runbeck
Benson, J.E.	Johnson, D.E.	Lesewski	Neuville	Stevens
Berg	Johnson, J.B.	Luther	Oliver	Terwilliger
Chandler	Johnston	Marty	Olson	
Cohen	Kiscaden	Merriam	Pariseau	
Day	Knutson	Metzen	Price	

Those who voted in the negative were:

Adkins	Finn	Krentz	Piper	Solon
Anderson	Flynn	Kroening	Pogemiller	Spear
Beckman	Hanson	Langseth	Ranum	Stumpf
Berglin	Hottinger	Lessard	Reichgott Junge	Vickerman
Bertram	Janezich	Moe, R.D.	Robertson	Wiener
Betzold	Johnson, D.J.	Mondale	Sams	
Chmielewski	Kelly	Pappas	Samuelson	

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

Mr. Chmielewski moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 164, after line 13, insert:

**"Sec. 12. [126.116] [PROHIBITION AGAINST PROGRAMS OR ACTIVITIES SUPPORTING HOMOSEXUALITY.]**

*A public elementary, middle, or secondary school shall not implement or carry out a program or activity that has either the purpose or effect of encouraging or supporting homosexuality as a positive lifestyle alternative. For the purposes of this section, "program or activity" means the distribution of instructional materials, instruction, counseling, or other services on school grounds, or referral of a pupil to an organization that affirms a homosexual lifestyle."*

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

Amend the title accordingly

Mr. Benson, D.D. moved to amend the Chmielewski amendment to H.F. No. 2189 as follows:

Page 1, line 9, delete "either"

Page 1, line 10, delete "or effect"

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Chmielewski moved to amend the Chmielewski amendment to H.F. No. 2189 as follows:

Page 1, line 14, delete everything after "school" and insert "grounds.""

Page 1, delete line 15

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Spear moved to amend the first Chmielewski amendment to H.F. No. 2189 as follows:

Page 1, delete lines 6 to 15 and insert:

**"Sec. 12. [126.116] [PROHIBITION AGAINST PROGRAMS OR ACTIVITIES SUPPORTING SEXUAL ACTIVITIES BY MINORS.]**

*A public elementary, middle, or secondary school shall not implement or carry out a program, activity, or curriculum that has the purpose of encouraging sexual activity by minors."*

The question was taken on the adoption of the Spear amendment to the Chmielewski amendment.

The roll was called, and there were yeas 55 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Benson, J.E.	Betzold	Dille	Hanson
Anderson	Berg	Chandler	Finn	Hottinger
Belanger	Berglin	Cohen	Flynn	Janezich
Benson, D.D.	Bertram	Day	Frederickson	Johnson, D.E.



Johnson, D.J.	Laidig	Mondale	Piper	Sams
Johnson, J.B.	Langseth	Morse	Pogemiller	Samuelson
Kelly	Luther	Murphy	Price	Solon
Kiscaden	Marty	Oliver	Ranum	Spear
Knutson	Merriam	Olson	Reichgott Junge	Stumpf
Krentz	Metzen	Pappas	Riveness	Terwilliger
Kroening	Moe, R.D.	Pariseau	Robertson	Wiener

Those who voted in the negative were:

Chmielewski	Larson	Lessard	Runbeck	Vickerman
Johnston	Lesewski	Neuville	Stevens	

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Neuville moved to amend the Spear amendment to the first Chmielewski amendment to H.F. No. 2189 as follows:

Page 1, line 8, after "*minors*" insert "*before marriage*"

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

Mr. Chmielewski withdrew his amendment, as amended.

Mr. Chmielewski then moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 161, after line 1, insert:

"Sec. 7. [121.889] [VOLUNTARY PARTICIPATION IN PRAYER.]

*It shall be lawful for any teacher in any of the schools of the state which are supported, in whole or in part, by the public funds of the state, to permit the voluntary participation by students or others in silent prayer or other religious observation. Nothing contained in this section shall authorize any teacher or other school authority in a public school to prescribe the form or content of any silent prayer."*

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

Amend the title accordingly

Mr. Benson, D.D. moved to amend the Chmielewski amendment to H.F. No. 2189 as follows:

Page 1, delete lines 7 to 13 and insert:

*"It shall be lawful for any parent, child, or other individual to voluntarily participate in prayer at home or in any building or facility which is used primarily for religious purposes.""*

The question was taken on the adoption of the Benson amendment to the Chmielewski amendment.

The roll was called, and there were yeas 41 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Laidig	Morse	Riveness
Belanger	Frederickson	Langseth	Murphy	Robertson
Benson, D.D.	Hottinger	Larson	Oliver	Spear
Berg	Janezich	Luther	Pappas	Terwilliger
Berglin	Johnson, D.E.	Marty	Piper	Wiener
Betzold	Johnson, J.B.	Merriam	Pogemiller	
Chandler	Kelly	Metzen	Price	
Cohen	Kiscaden	Moe, R.D.	Ranum	
Finn	Krentz	Mondale	Reichgott Junge	

Those who voted in the negative were:

Adkins	Day	Knutson	Olson	Solon
Beckman	Dille	Kroening	Pariseau	Stumpf
Benson, J.E.	Hanson	Lesewski	Runbeck	Vickerman
Bertram	Johnson, D.J.	Lessard	Sams	
Chmielewski	Johnston	Neuville	Samuelson	

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Chmielewski amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Price moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Pages 145 and 146, delete section 30

Renumber the sections of article 8 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 32, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Luther	Olson	Sams
Anderson	Finn	Marty	Pappas	Samuelson
Benson, J.E.	Hanson	Merriam	Pariseau	Spear
Berglin	Kelly	Metzen	Price	Terwilliger
Betzold	Krentz	Moe, R.D.	Ranum	Wiener
Chandler	Laidig	Murphy	Reichgott Junge	

Those who voted in the negative were:

Beckman	Frederickson	Kiscaden	Mondale	Robertson
Belanger	Hottinger	Knutson	Morse	Runbeck
Benson, D.D.	Janezich	Kroening	Neuville	Stumpf
Berg	Johnson, D.E.	Langseth	Oliver	Vickerman
Day	Johnson, D.J.	Larson	Piper	
Dille	Johnson, J.B.	Lesewski	Pogemiller	
Flynn	Johnston	Lessard	Riveness	

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

Mr. Knutson moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 115, after line 8, insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 121.11, subdivision 7c, is amended to read:

Subd. 7c. [RESULTS-ORIENTED GRADUATION RULE.] The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board shall ~~use its rulemaking authority under subdivision 7b to adopt~~ *propose to the commissioner and legislature* a statewide, results-oriented graduation rule to be implemented starting with students beginning high school in 1996. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in this rule.

Sec. 2. Minnesota Statutes 1993 Supplement, section 121.11, subdivision 7d, is amended to read:

Subd. 7d. [DESEGREGATION, INCLUSIVE EDUCATION, AND LICENSURE RULES.] The state board may ~~make~~ *propose to the commissioner and legislature* rules relating to desegregation, inclusive education, and licensure of school personnel not licensed by the board of teaching."

Page 123, after line 14, insert:

"Sec. 14. [REPEALER.]

*Laws 1992, chapter 499, article 8, section 33, as amended by Laws 1992, chapter 603, section 6, is repealed."*

Renumber the sections of article 7 in sequence and correct the internal references

Page 170, after line 35, insert:

"Section 1. Minnesota Statutes 1992, section 121.02, subdivision 1, is amended to read:

Subdivision 1. A state department of education is hereby created which shall be ~~maintained under the direction of~~ *advised by* a state board of education composed of nine representative citizens of the state, at least one of whom shall reside in each congressional district in the state.

Of the nine representative citizens of the state who are appointed to the state board of education not less than three members thereof shall previously thereto have served as an elected member of a board of education of a school district however organized.

The members of the state board shall be appointed by the governor, with the advice and consent of the senate. One member shall be chosen annually as president, but no member shall serve as president more than three consecutive years. The state board shall hold its annual meeting in August. It shall hold meetings on dates and at places as it designates. No member shall hold any public office, or represent or be employed by any board of education or school district, public or private, and shall not voluntarily have any personal financial interest in any contract with a board of education or school district, or be engaged in any capacity where a conflict of interest may arise.

Sec. 2. Minnesota Statutes 1993 Supplement, section 121.11, subdivision 7, is amended to read:

**Subd. 7. [GENERAL SUPERVISION OVER EDUCATIONAL AGENCIES.]** The state board of education shall ~~adopt goals for and exercise general supervision over public schools and public educational agencies in the state,~~ classify and standardize public elementary and secondary schools, and prepare for them outlines and suggested courses of study. ~~The board shall develop a plan to attain the adopted goals.~~ At the board's request, the commissioner may assign department of education staff to assist the board in attaining its goals. The commissioner shall explain to the board in writing any reason for refusing or delaying a request for staff assistance. The state board may recognize educational accrediting agencies for the sole purposes of sections 120.101, 120.102, and 120.103.

Renumber the sections of article 11 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 23 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Laidig	Oliver	Runbeck
Benson, D.D.	Johnson, D.E.	Larson	Olson	Stevens
Benson, J.E.	Johnston	Lesewski	Pariseau	Terwilliger
Day	Kiscaden	Lessard	Price	
Dille	Knutson	Neuville	Robertson	

Those who voted in the negative were:

Anderson	Cohen	Krentz	Morse	Sams
Beckman	Finn	Kroening	Murphy	Samuelson
Berg	Flynn	Luther	Pappas	Spear
Berglin	Hottinger	Marty	Piper	Stumpf
Bertram	Janezich	Merriam	Pogemiller	Vickerman
Betzold	Johnson, D.J.	Metzen	Ranum	Wiener
Chandler	Johnson, J.B.	Moe, R.D.	Reichgott Junge	
Chmielewski	Kelly	Mondale	Riveness	

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

Mr. Johnson, D.E. moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 81, after line 12, insert:

"Sec. 8. Minnesota Statutes 1992, section 124.95, is amended by adding a subdivision to read:

*Subd. 7. [EFFECT OF RECEIPT OF CERTAIN AIDS.] The receipt of aid under section 273.1398, this section, or any successor provisions to be used to pay debt service for repayment of the principal and interest on school district bonds shall not for any purpose constitute the financing of a project in whole or in part by state funds."*

Page 86, line 21, before "Section" insert "Section 8 is retroactively effective to July 1, 1992."

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

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 22 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Day	Kiscaden	Olson	Stevens
Benson, D.D.	Dille	Knutson	Pariseau	Terwilliger
Benson, J.E.	Frederickson	Laidig	Robertson	
Berg	Johnson, D.E.	Larson	Runbeck	
Bertram	Johnston	Oliver	Sams	

Those who voted in the negative were:

Adkins	Flynn	Langseth	Murphy	Samuelson
Anderson	Hanson	Lesewski	Pappas	Solon
Beckman	Hottinger	Luther	Piper	Spear
Berglin	Johnson, D.J.	Marty	Pogemiller	Stumpf
Betzold	Johnson, J.B.	Merriam	Price	Vickerman
Chandler	Kelly	Metzen	Ranum	Wiener
Cohen	Krentz	Mondale	Reichgott Junge	
Finn	Kroening	Morse	Riveness	

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

Mr. Larson moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 164, after line 22, insert:

"Sec. 13. Minnesota Statutes 1992, section 179A.16, is amended by adding a subdivision to read:

*Subd. 1a. [TEACHERS.] (a) For contracts between exclusive representatives of teachers and public employers of teachers other than the state, procedures for negotiation of agreements, mediation and interest arbitration must be as otherwise provided in this chapter until September 1 of the odd-numbered year. If either the public employer or the exclusive representative of the teachers requests interest arbitration after September 1 of the odd-numbered year, the commissioner shall request necessary information from the parties, shall determine the matters not agreed upon based on the efforts to mediate the dispute and the positions submitted by the parties during negotiations or mediation, and shall prepare a list of the items to be decided by an arbitration panel. The commissioner shall submit the list of items to be decided by an arbitration panel to the parties. Within 15 days of its receipt of the list of items to be decided by an arbitration panel, the public employer shall notify the commissioner whether it agrees to submission of those items to interest arbitration.*

*(b) If the public employer agrees to submission of those items to interest arbitration, those items must be submitted to final-offer total-package interest arbitration and the result is final and binding on the parties. The parties may mutually stipulate items to be excluded from arbitration.*

*(c) If the public employer does not respond to the commissioner within 15 days of its receipt of the list of items to be decided by an arbitration panel or*

if it rejects submission of those items to interest arbitration, the teachers may strike if they have complied with the following:

(1) the exclusive representative of the teachers has submitted the last offer of the public employer to a secret vote by the membership of the teacher bargaining unit and it has been rejected; and

(2) after the rejection of the public employer's last offer, the teachers have complied with the notice procedures of section 179A.18, subdivision 3.

(d) If neither the public employer nor the exclusive representative of the teachers requests interest arbitration, this chapter applies.

Sec. 14. Minnesota Statutes 1992, section 179A.17, subdivision 1, is amended to read:

Subdivision 1. [FOR TEACHERS.] If a new or different exclusive representative of teachers employed by a local school district is certified by the commissioner at any time other than the period between 120 days before the termination date of a contract and the termination date of the contract, or if on July 1 of any odd-numbered year a representation proceeding involving the employer and the employer's teachers is before the commissioner, section 179A.18, subdivision 2, clause (1), shall apply. In those cases, however, the employer and the exclusive representative of the teachers shall execute a written contract or memorandum of contract no later than 60 days after a certification by the commissioner of a new or different exclusive representative or the resolution by the commissioner of a representation proceeding. Either party may petition the commissioner for assistance in reaching an agreement. If the employer and the exclusive representative of the teachers fail to execute a contract by 60 days after the certification of a new or different exclusive representative or the resolution by the commissioner of a representation proceeding, they shall be conclusively presumed to be at an impasse after having participated in mediation as specified in section 179A.18, subdivision 2, clause (1)(b). After the 60 days, section 179A.16, subdivision 1a, applies as though agreement had not been reached by September 1 of the odd-numbered year."

Page 168, after line 23, insert:

"Sec. 18. [REPEALER.]

Minnesota Statutes 1992, section 124A.22, subdivision 2a, is 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.

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

The roll was called, and there were yeas 18 and nays 45, as follows:

Those who voted in the affirmative were:

Adkins  
Belanger  
Benson, D.D.  
Benson, J.E.

Berg  
Day  
Dille  
Johnston

Kiscaden  
Larson  
Neuville  
Oliver

Olson  
Pariseau  
Robertson  
Runbeck

Stevens  
Terwilliger

Those who voted in the negative were:

Anderson	Frederickson	Kroening	Moe, R.D.	Reichgott Junge
Beckman	Hanson	Laidig	Mondale	Riveness
Berglin	Hottinger	Langseth	Morse	Sams
Bertram	Johnson, D.E.	Lesewski	Murphy	Samuelson
Betzold	Johnson, D.J.	Lessard	Pappas	Solon
Chandler	Johnson, J.B.	Luther	Piper	Spear
Cohen	Kelly	Marty	Pogemiller	Stumpf
Finn	Knutson	Merriam	Price	Vickerman
Flynn	Krentz	Metzen	Ranum	Wiener

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

Ms. Olson moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 115, after line 8, insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 121.11, subdivision 7c, is amended to read:

Subd. 7c. [RESULTS-ORIENTED GRADUATION RULE.] (a) The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board shall use its rulemaking authority under subdivision 7b to adopt a statewide, results-oriented graduation rule to be implemented starting with students beginning high school in 1996. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in this rule.

(b) *Assessments under paragraph (a) shall not pertain to the personal characteristics, values, attitudes, or conscientiously held beliefs of students.*"

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 26 and nays 32, as follows:

Those who voted in the affirmative were:

Belanger	Finn	Knutson	Olson	Stevens
Benson, D.D.	Frederickson	Laidig	Pariseau	Terwilliger
Benson, J.E.	Hanson	Larson	Price	
Berg	Johnson, D.E.	Lesewski	Robertson	
Day	Johnston	Lessard	Runbeck	
Dille	Kiscaden	Neuville	Sams	

Those who voted in the negative were:

Adkins	Cohen	Langseth	Pappas	Spear
Anderson	Flynn	Luther	Piper	Stumpf
Beckman	Hottinger	Marty	Pogemiller	Vickerman
Berglin	Janezich	Merriam	Ranum	Wiener
Bertram	Johnson, D.J.	Moe, R.D.	Reichgott Junge	
Betzold	Krentz	Mondale	Riveness	
Chandler	Kroening	Morse	Solon	

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

Mr. Frederickson moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 3, line 16, strike "to reduce the property tax levy"

Page 3, strike lines 17 and 18

Page 3, line 19, strike everything before the period and insert "*an amount not to exceed \$180,000,000 shall transfer to the school aids reserve account in the general fund of the state treasury*" and delete "*\$180,000,000 of the*"

Page 3, delete lines 20 and 21 and insert "*Further unrestricted budgetary general fund balances shall reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to zero before money is allocated to the budget reserve and cash flow account under the first sentence of this subdivision. There is established a school aids reserve account in the general fund of the state treasury for the deposit of funds under this section.*"

Page 18, delete lines 21 and 22

Reletter the paragraphs in sequence

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 19 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Dille	Kiscaden	Lessard	Robertson
Benson, D.D.	Frederickson	Knutson	Neuville	Runbeck
Benson, J.E.	Johnson, D.E.	Laidig	Olson	Stevens
Bertram	Johnston	Lesewski	Pariseau	

Those who voted in the negative were:

Adkins	Cohen	Krentz	Morse	Riveness
Anderson	Finn	Kroening	Murphy	Solon
Beckman	Flynn	Langseth	Pappas	Spear
Berg	Hanson	Luther	Piper	Stumpf
Berglin	Hottinger	Marty	Pogemiller	Vickerman
Betzold	Janezich	Merriam	Price	Wiener
Chandler	Johnson, D.J.	Metzen	Ranum	
Chmielewski	Johnson, J.B.	Moe, R.D.	Reichgott Junge	

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

Ms. Kiscaden moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 168, after line 23, insert:

"Sec. 16. [REPEALER.]

*Minnesota Statutes 1992, section 126.12, subdivision 1, is repealed."*

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.



### RECONSIDERATION

Having voted on the prevailing side, Mr. Johnson, D.J. moved that the vote whereby the Kiscaden amendment to H.F. No. 2189 was adopted on April 13, 1994, be now reconsidered.

The question was taken on the adoption of the motion.

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

The roll was called, and there were yeas 46 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Johnston	Morse	Samuelson
Anderson	Finn	Knutson	Murphy	Solon
Beckman	Flynn	Krentz	Olson	Spear
Berg	Frederickson	Laidig	Pappas	Stevens
Berglin	Hanson	Larson	Pariseau	Stumpf
Bertram	Hottinger	Lesewski	Pogemiller	Vickerman
Chandler	Janezich	Lessard	Ranum	
Chmielewski	Johnson, D.E.	Metzen	Reichgott Junge	
Cohen	Johnson, D.J.	Moe, R.D.	Riveness	
Day	Johnson, J.B.	Mondale	Sams	

Those who voted in the negative were:

Belanger	Kiscaden	Merriam	Price	Terwilliger
Benson, D.D.	Kroening	Neuville	Robertson	Wiener
Benson, J.E.	Luther	Piper	Runbeck	
Betzold	Marty			

The motion prevailed.

The question was taken on the adoption of the amendment.

Mr. Riveness moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 25 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Betzold	Kiscaden	Morse	Riveness
Beckman	Chandler	Krentz	Pariseau	Robertson
Belanger	Cohen	Luther	Piper	Runbeck
Benson, D.D.	Johnson, J.B.	Marty	Pogemiller	Spear
Benson, J.E.	Johnston	Merriam	Price	Wiener

Those who voted in the negative were:

Adkins	Flynn	Kroening	Murphy	Solon
Berg	Frederickson	Laidig	Neuville	Stevens
Berglin	Hanson	Langseth	Olson	Stumpf
Bertram	Hottinger	Larson	Pappas	Terwilliger
Chmielewski	Janezich	Lesewski	Ranum	Vickerman
Day	Johnson, D.E.	Lessard	Reichgott Junge	
Dille	Johnson, D.J.	Metzen	Sams	
Finn	Knutson	Mondale	Samuelson	

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

Ms. Kiscaden moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 139, line 3, after "that" insert "one of"

Page 139, line 4, after "*program*" insert "*is to*"

The motion prevailed. So the amendment was adopted.

Mr. Price moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 157, line 23, after the second comma, insert "*or*"

Page 157, line 24, delete everything after the first "*Minnesota*"

Page 157, line 25, delete the new language

Page 157, line 29, delete "*50*" and insert "*30*"

Page 158, line 10, delete "*or a*"

Page 158, line 11, delete everything before "*under*"

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

Ms. Kiscaden moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Page 155, line 5, after "*sites*" insert "*and two control sites*"

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend H.F. No. 2189, as amended by the Senate April 13, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2206.)

Pages 14 and 15, delete section 14

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 24 and nays 38, as follows:

Those who voted in the affirmative were:

Beckman	Cohen	Johnston	Larson	Sams
Belanger	Day	Kelly	Neuville	Stevens
Benson, D.D.	Dille	Kiscaden	Olson	Terwilliger
Benson, J.E.	Frederickson	Knutson	Robertson	Vickerman
Berg	Johnson, D.E.	Laidig	Runbeck	

Those who voted in the negative were:

Adkins	Flynn	Langseth	Morse	Riveness
Anderson	Hanson	Lessard	Murphy	Samuelson
Berglin	Hottinger	Luther	Pappas	Solon
Bertram	Janezich	Marty	Piper	Spear
Betzold	Johnson, D.J.	Merriam	Pogemiller	Stumpf
Chandler	Johnson, J.B.	Metzen	Price	Wiener
Chmielewski	Krentz	Moe, R.D.	Ranum	
Finn	Kroening	Mondale	Reichgott Junge	

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

H.F. No. 2189 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 63 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Price voted in the negative.

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

Mr. Pogemiller moved that S.F. No. 2206, on General Orders, be stricken and laid on the table. The motion prevailed.

## MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1775 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 1775: A bill for an act relating to the financing and operation of state and local government; enforcing the federal income tax law changes; providing income and premium tax credits; modifying capital equipment sales tax provisions; providing sales and excise tax exemptions and modifications; altering taconite production tax rates and distributions; providing for use of taconite economic development funds; altering procedures of the board of government innovation and cooperation and appropriating money to the board; modifying provisions relating to property tax classification procedures, appeals, and levies; changing property tax refund processes; limiting the amount of targeting refunds; altering truth in taxation requirements; providing for payments of aids to local governments; abolishing the local government trust fund and the advisory commission on intergovernmental relations; providing for a unified state sales tax rate; modifying requirements relating to tax increment financing; eliminating certain conditions relating to the contamination tax; authorizing a property tax abatement; providing for creation of certain tax increment financing districts, special service districts, a port authority, a county economic development authority; authorizing issuances of bonds, creation of a bond guarantee fund, and imposition of a lodging tax; providing for creation and operation of the Cross Lake area water and sewer board and the Chilsholm/Hibbing airport authority; appropriating money; amending Minnesota Statutes 1992, sections 60A.15, by adding a subdivision; 97A.135, subdivision 3; 256E.06, subdivision 5, and by adding a subdivision;

270B.12, by adding subdivisions; 271.06, subdivision 7; 273.138, by adding a subdivision; 273.1398, by adding a subdivision; 273.1399, by adding subdivisions; 276.04, subdivision 3; 276.09; 276.10; 276.111; 278.05, subdivision 6; 289A.02, by adding a subdivision; 289A.25, subdivision 5; 290.01, subdivisions 19b, 19d, and by adding a subdivision; 290.05, subdivision 3; 290.06, subdivision 2c, and by adding a subdivision; 290.068, subdivision 2; 290.0802, subdivision 1; 290.0921, subdivision 2; 290.35, by adding a subdivision; 290A.04, subdivision 2; 290A.07; 297.01, by adding a subdivision; 297A.01, by adding a subdivision; 297A.02, subdivision 2, and by adding a subdivision; 297A.135, subdivision 1; 297A.15, subdivision 5; 297A.25, by adding subdivisions; 297A.44, subdivision 1; 297C.03, by adding a subdivision; 298.017, subdivision 2; 298.24, subdivision 1; 298.28, by adding a subdivision; 298.296, subdivision 2, and by adding a subdivision; 469.004, subdivision 1a; 469.176, subdivision 4f; 469.1761, subdivision 1; 477A.012, subdivision 6; and 477A.014, subdivision 5; Minnesota Statutes 1993 Supplement, sections 116J.556; 270.78; 270.91, subdivision 4; 270.94; 273.11, subdivision 16, and by adding a subdivision; 273.124, subdivisions 1 and 13; 273.13, subdivision 23; 273.1399, subdivision 1; 273.166, by adding a subdivision; 275.065, subdivision 3; 276.04, subdivision 2; 278.01, subdivision 1; 289A.26, subdivision 7; 289A.60, subdivision 21; 290.01, subdivision 19; 290.091, subdivision 2; 290A.04, subdivision 2h; 296.02, subdivision 1a; 297A.01, subdivisions 3 and 16; 297B.03; 298.227; 298.28, subdivision 9a; 383A.75, subdivision 3; 465.795, subdivision 7; 465.796, subdivision 2; 465.797, subdivisions 1, 2, 3, 4, and 5; 465.798; 465.799; 469.174, subdivision 19; 469.176, subdivisions 1b and 4c; 477A.013, subdivisions 8 and 9; and 477A.03, by adding a subdivision; Laws 1981, chapter 281, section 1; proposing coding for new law in Minnesota Statutes, chapters 17; 276; 290A; 297A; 465; 469; 473; and 477A; repealing Minnesota Statutes 1992, sections 3.862; 16A.711; 273.1381; 273.1398, subdivision 7; 290.067, subdivision 6; 297A.021; 297A.44, subdivision 4; 297B.09, subdivision 3; 465.80, subdivision 3; and 477A.0132; Minnesota Statutes 1993 Supplement, sections 16A.712; 82.19, subdivision 9; 256E.06, subdivision 12; 273.166, subdivision 4; 289A.25, subdivision 5a; 290A.23; 465.80, subdivisions 1, 2, 4, and 5; 469.175, subdivision 7a; and 477A.03, subdivision 1; Laws 1973, chapter 640, article 24, section 6.

Mr. Johnson, D.J. moved to amend S.F. No. 1775 as follows:

Page 46, line 8, delete "*imported into*" and insert "*exported from*" and after "*of*" insert "(1)" and after "*products*" insert "*resold or*"

Page 46, line 9, after "*or*" insert "(2)"

Page 46, line 10, after "*state*" insert "*and shipped outside of the state*"

Pages 61 and 62, delete sections 1 and 2

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

Page 96, line 29, delete "\$....." and insert "\$500,000"

Page 98, line 13, delete "*three*" and insert "2.5"

Page 107, line 5, after the first "*services*" insert "*as defined in section 256F.03, subdivision 5*"

Page 107, line 10, after "*the*" insert "*calendar*"

Page 107, line 18, after "*recent*" insert "*calendar*"

Page 107, line 33, after the period, insert "*If the amount appropriated does not equal the aid amounts calculated under this subdivision, the commissioner of revenue shall proportionately reduce or increase the aid amounts so that their sum equals the amount appropriated.*"

Page 110, lines 6, 17, and 27, delete "*three*" and insert "*2.5*"

Page 118, line 5, delete "*redevelopment*" and insert "*economic development*"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Spear moved to amend S.F. No. 1775 as follows:

Page 66, after line 5, insert:

"Sec. 6. Minnesota Statutes 1993 Supplement, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferment under this section only if it is:

(a) actively and exclusively devoted to golf, skiing, *lawn bowling, croquet*, or archery or firearms range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of *a lawn bowling or croquet green or an archery or firearms range*;

(c)(1) operated by private individuals *or, in the case of a lawn bowling or croquet green, by private individuals or corporations*, and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more *or open to the public*, provided that the club does not discriminate in membership requirements or selection on the basis of sex or marital status; and

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may be restricted on the basis of sex as permitted in this section. Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership. A golf club may not offer a membership or golfing privileges to a spouse of a member that provides greater or less access to the golf course than is provided to that person's

spouse under the same or a separate membership in that club, except that the terms of a membership may provide that one spouse may have no right to use the golf course at any time while the other spouse may have either limited or unlimited access to the golf course.

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

A golf club that has food or beverage facilities or services must allow equal access to those facilities and services for both men and women members in all membership categories at all times. Nothing in this paragraph shall be construed to require service or access to facilities to persons under the age of 21 years or require any act that would violate law or ordinance regarding sale, consumption, or regulation of alcoholic beverages.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident."

Page 75, line 28, delete "8, 9, 11 and 12" and insert "7, 9, 10, 12, and 13"

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. Belanger moved to amend S.F. No. 1775 as follows:

Page 13, line 18, delete "and"

Page 13, line 22, before the period, insert " ; and

*(10) the amount of social security benefits included in federal taxable income due to the provisions of section 13215 of the Omnibus Budget Reconciliation Act of 1993, Public Law Number 103-66"*

Page 22, line 15, strike "and"

Page 22, line 21, before the period, insert " ; and

*(iv) the amount of social security benefits as provided by section 290.01, subdivision 19b, clause (10)"*

Page 31, line 18, before the period, insert " , except that the portion of section 8 adding clause (10), is effective for taxable years beginning after December 31, 1993"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger  
Benson, D.D.  
Benson, J.E.  
Day  
Dille

Frederickson  
Johnson, D.E.  
Johnston  
Kiscaden  
Knutson

Laidig  
Larson  
Lesewski  
Neuville  
Olson

Pariseau  
Riveness  
Robertson  
Runbeck  
Samuelson

Stevens  
Terwilliger

Those who voted in the negative were:

Adkins	Cohen	Kelly	Metzen	Reichgott Junge
Anderson	Finn	Krentz	Moe, R.D.	Solon
Beckman	Flynn	Kroening	Mondale	Spear
Berg	Hanson	Langseth	Morse	Stumpf
Bertram	Hottinger	Lessard	Murphy	Vickerman
Betzold	Janezich	Luther	Piper	Wiener
Chandler	Johnson, D.J.	Marty	Price	
Chmielewski	Johnson, J.B.	Merriam	Ranum	

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

Mr. Marty moved to amend S.F. No. 1775 as follows:

Pages 36 to 42, delete sections 3 to 6

Pages 42 and 43, delete section 8

Page 43, delete section 10

Page 46, delete lines 27 and 28

Page 46, line 29, delete “, 4 to 6, 8, 10,”

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

Page 97, after line 21, insert:

“Sec. 2. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 2, is amended to read:

Subd. 2. [BASIC REVENUE.] The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. ~~The formula allowance for fiscal years 1993 and 1994 is \$3,050. The formula allowance for fiscal year 1995 and subsequent fiscal years is \$3,150, for fiscal year 1996, \$3,175, and for fiscal year 1997, \$3,200. The formula allowance for fiscal year 1998 and subsequent fiscal years is \$3,220.”~~

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title accordingly

Ms. Reichgott Junge moved to amend the Marty amendment to S.F. No. 1775 as follows:

Page 1, delete lines 9 to 21

The question was taken on the adoption of the Reichgott Junge amendment to the Marty amendment.

The roll was called, and there were yeas 51 and nays 14, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson	Langseth	Olson	Solon
Belanger	Janezich	Larson	Pappas	Spear
Benson, D.D.	Johnson, D.E.	Lesewski	Pariseau	Stevens
Benson, J.E.	Johnson, D.J.	Lessard	Pogemiller	Stumpf
Berg	Johnston	Merriam	Price	Terwilliger
Bertram	Kelly	Metzen	Ranum	Vickerman
Betzold	Kiscaden	Moe, R.D.	Reichgott Junge	Wiener
Chmielewski	Knutson	Mondale	Robertson	
Day	Krentz	Murphy	Runbeck	
Dille	Kroening	Neuville	Sams	
Flynn	Laidig	Oliver	Samuelson	

Those who voted in the negative were:

Adkins	Chandler	Hanson	Luther	Piper
Anderson	Cohen	Hottinger	Marty	Riveness
Berglin	Finn	Johnson, J.B.	Morse	

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Marty amendment, as amended.

The roll was called; and there were yeas 13 and nays 51, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Marty	Piper	Spear
Berglin	Hottinger	Merriam	Ranum	
Chandler	Johnson, J.B.	Morse	Riveness	

Those who voted in the negative were:

Adkins	Dille	Krentz	Murphy	Samuelson
Beckman	Flynn	Kroening	Neuville	Solon
Belanger	Frederickson	Laidig	Oliver	Stevens
Benson, D.D.	Hanson	Langseth	Olson	Stumpf
Benson, J.E.	Janezich	Larson	Pappas	Terwilliger
Berg	Johnson, D.E.	Lesewski	Pariseau	Vickerman
Bertram	Johnson, D.J.	Lessard	Price	Wiener
Betzold	Johnston	Luther	Reichgott Junge	
Chmielewski	Kelly	Metzen	Robertson	
Cohen	Kiscaden	Moe, R.D.	Runbeck	
Day	Knutson	Mondale	Sams	

The motion did not prevail. So the Marty amendment, as amended, was not adopted.

Mr. Belanger moved to amend S.F. No. 1775 as follows:

Page 37, line 20, delete "or"

Page 37, line 22, before the period, insert "; or

*(5) for sales and purchases made after June 30, 1998, repair and replacement parts, including accessories, whether purchased as spare parts, repair parts, or as upgrades or modifications to machinery and equipment."*

Page 37, line 27, strike "repair or replacement parts, including accessories,"

Page 37, strike lines 28 to 33

Page 37, line 34, delete "(2)"

Page 37, line 35, strike "(3)" and insert "(2)"

Page 38, line 1, strike "(4)" and insert "(3)"

Page 38, line 3, strike "(5)" and insert "(4)"

Page 38, line 16, strike "(6)" and insert "(5)"

Page 38, line 19, after "20" insert "*for sales after June 30, 1994, and before July 1, 1998*"

Page 38, line 20, strike "(7)" and insert "(6)"

Pages 41 and 42, delete section 6 and insert:

"Sec. 6. Minnesota Statutes 1992, section 297A.02, is amended by adding a subdivision to read:



*Subd. 5. [REPLACEMENT CAPITAL EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of excise tax imposed upon retail sales of replacement capital equipment is:*

*for purchases after June 30, 1994, and prior to July 1, 1995, 4.8 percent,  
for purchases after June 30, 1995, and prior to July 1, 1996, 3.6 percent,  
for purchases after June 30, 1996, and prior to July 1, 1997, 2.4 percent,  
for purchases after June 30, 1997, and prior to July 1, 1998, 1.2 percent,  
and*

*for purchases after June 30, 1998, zero.*

Sec. 7. Minnesota Statutes 1992, section 297A.021, is amended by adding a subdivision to read:

*Subd. 1a. [REPLACEMENT EQUIPMENT RATE.] Notwithstanding the provisions of subdivision 1, if a local sales and use tax is imposed, the rate of tax imposed upon retail sales of replacement capital equipment is:*

*for purchases after June 30, 1994, and prior to July 1, 1995, .4 percent,  
for purchases after June 30, 1995, and prior to July 1, 1996, .3 percent,  
for purchases after June 30, 1996, and prior to July 1, 1997, .2 percent,  
for purchases after June 30, 1997, and prior to July 1, 1998, .1 percent, and  
for purchases after June 30, 1998, zero.”*

Pages 42 and 43, delete section 8 and insert:

“Sec. 9. Minnesota Statutes 1992, section 297A.15, subdivision 5, is amended to read:

*Subd. 5. [REFUND; APPROPRIATION.] (a) Notwithstanding the provisions of ~~section~~ sections 297A.02, subdivision 5, 297A.021, subdivision 1a, and 297A.25, subdivisions 42 and 50, the tax on sales of capital equipment, replacement capital equipment, and construction materials and supplies under section 297A.25, subdivision 50, shall be imposed and collected as if the rates under sections 297A.02, subdivision 1, and 297A.021, applied. Upon application by the purchaser, on forms prescribed by the commissioner, a refund equal to the reduction in the tax due as a result of the application of the exemption under section 297A.25, subdivision 42 or 50, and the rates under sections 297A.02, subdivision 5, and 297A.021, subdivision 1a, shall be paid to the purchaser. In the case of building materials qualifying under section 297A.25, subdivision 50, where the tax was paid by a contractor, application must be made by the owner for the sales tax paid by all the contractors, subcontractors, and builders for the project. The application must include sufficient information to permit the commissioner to verify the sales tax paid for the project. The application shall include information necessary for the commissioner initially to verify that the purchases qualified as capital equipment under section 297A.25, subdivision 42, replacement capital equipment under section 297A.01, subdivision 20, or capital equipment or construction materials and supplies under section 297A.25, subdivision 50. No more than two applications for refunds may be filed under this subdivision in a calendar year. No owner may apply for a refund based on the exemption under section 297A.25, subdivision 50, before July 1, 1993. Unless otherwise*

specifically provided by this subdivision, the provisions of section 289A.40 apply to the refunds payable under this subdivision. There is annually appropriated to the commissioner of revenue the amount required to make the refunds.

The amount to be refunded shall bear interest at the rate in section 270.76 from the date the refund claim is filed with the commissioner.

*(b) In the case of capital equipment and replacement capital equipment, this subdivision applies only to sales and purchases of capital equipment made before July 1, 1998, and to sales and purchases of replacement capital equipment made after June 30, 1994, and before July 1, 1998."*

Page 44, after line 33, insert:

"Sec. 15. Minnesota Statutes 1992, section 297A.44, subdivision 4, is amended to read:

Subd. 4. [LOCAL OPTION TAX.] (a) The commissioner shall deposit all revenues, including interest and penalties, derived from the local option excise taxes imposed under sections 297A.021 and 297A.14 in the local government trust fund.

*(b) In addition, the commissioner shall deposit revenues derived from imposing a rate of 1.5 percent on all taxable sales, including interest and penalties, under this chapter in the local government trust fund. For sales and purchases made after June 30, 1994, and before July 1, 1998, the distribution to the local government trust fund shall be proportionally adjusted to reflect the reduced tax rate on replacement capital equipment."*

Page 46, after line 30, insert:

*"Sections 5, 6, 8, and 15 are effective for sales made after June 30, 1994, and before July 1, 1998."*

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

Pages 75 to 111, delete articles 6 and 7

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

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

Mr. Benson, D.D. moved to amend S.F. No. 1775 as follows:

Page 17, after line 36, insert:

"Sec. 12. Minnesota Statutes 1992, section 290.05, is amended by adding a subdivision to read:

*Subd. 8. [AUTHORITY TO REVOKE EXEMPTION FOR FAILURE TO COMPLY WITH FEDERAL LAW.] The commissioner may examine or investigate an entity claiming exemption under this section and subpart F of the Internal Revenue Code. The commissioner may revoke the exemption under this section for violations of federal law that would permit the commissioner of internal revenue or the secretary of the treasury to revoke the exemption under federal law, regardless of whether such action has been taken under federal law."*

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Chandler moved to amend S.F. No. 1775 as follows:

Page 2, line 50, after "*made*" insert "*for insolvencies which occur*"

Page 24, line 2, after "*made*" insert "*for insolvencies which occur*"

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

Mr. Metzen moved to amend S.F. No. 1775 as follows:

Page 25, line 33, before the period, insert "*, or a city of the second class that is designated as an economically depressed area by the United States Department of Commerce*"

Page 26, line 36, before the period, insert "*or is an area within a city of the second class that is designated as an economically depressed area by the United States Department of Commerce*"

Page 27, line 33, after the period, insert "*Each city of the second class designated as an economically depressed area by the United States Department of Commerce is allocated \$300,000 to be used to provide credits under this section for the duration of the program.*"

Page 31, line 24, after "*enactment*" insert "*, except that tax credits provided to businesses in cities of the second class designated as an economically depressed area by the United States Department of Commerce are available for taxable years beginning after December 31, 1994*"

The motion prevailed. So the amendment was adopted.

Ms. Pappas moved to amend S.F. No. 1775 as follows:

Page 2, after line 42, insert:

"Section 1. Minnesota Statutes 1992, section 60A.02, is amended by adding a subdivision to read:

*Subd. 4a. [MUTUAL PROPERTY AND CASUALTY INSURANCE COMPANY.] "Mutual property and casualty insurance company" includes a property and casualty insurance company that was converted to a stock company after December 31, 1987, and before January 1, 1994, if the company was controlled on the date of conversion by a mutual life insurance company and so long as the company continues to be controlled by a mutual life insurance company.*"

Page 8, after line 18, insert:

"Sec. 8. Minnesota Statutes 1992, section 290.01, is amended by adding a subdivision to read:

*Subd. 4b. [MUTUAL PROPERTY AND CASUALTY INSURANCE COMPANY.] "Mutual property and casualty insurance company" includes a property and casualty insurance company that was converted to a stock company after December 31, 1987, and before January 1, 1994, if the company was controlled on the date of conversion by a mutual life insurance*

*company and so long as the company continues to be controlled by a mutual life insurance company."*

Page 31, after line 1, insert:

"Sec. 34. [SEVERABILITY.]

*If section 1 or 8 is for any reason found by a final nonappealable order of a court of competent jurisdiction to be unconstitutional or to have an unconstitutional effect on the application of the insurance premiums tax to other insurance companies, the legislature intends that only section 1 or section 8, as appropriate, be invalid and the otherwise applicable insurance premiums tax rates apply."*

Page 31, after line 7, insert:

*"Sections 1 and 8 are effective for taxable years beginning after December 31, 1995."*

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 1775 as follows:

Page 13, line 18, delete "and"

Page 13, line 22, after "1993" insert "; and

*(10) an amount equal to \$100, multiplied by the number of deductions for personal exemptions which the taxpayer is eligible to take under section 151 of the Internal Revenue Code for the taxable year"*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Dille	Knutson	Oliver	Stevens
Benson, D.D.	Finn	Kroehing	Olson	Terwilliger
Benson, J.E.	Frederickson	Laidig	Pariseau	
Berg	Johnson, D.E.	Larson	Robertson	
Berglin	Johnston	Lesewski	Runbeck	
Day	Kiscaden	Neuville	Samuelson	

Those who voted in the negative were:

Adkins	Flynn	Langseth	Morse	Spear
Anderson	Hanson	Lessard	Murphy	Stumpf
Beckman	Hottinger	Luther	Pappas	Vickerman
Bertram	Janezich	Marty	Piper	Wiener
Betzold	Johnson, D.J.	Merriam	Price	
Chandler	Johnson, J.B.	Metzen	Ranum	
Chmielewski	Kelly	Moe, R.D.	Reichgott Junge	
Cohen	Krentz	Mondale	Sams	

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

Ms. Kiscaden moved to amend S.F. No. 1775 as follows:

Page 106, line 32, delete "out-of-home placement of" and insert "programs of assistance to families and"

Page 107, delete lines 1 to 3

Page 107, line 4, delete "(b)" and insert "(a)"

Page 107, line 9, delete "(c)" and insert "(b)"

Page 107, line 11, after "1" delete the comma and insert "of" and after "1994" insert "and each subsequent year"

Page 107, line 12, delete "the number of children in"

Page 107, line 13, delete everything before "the"

Page 107, line 15, delete everything after the period

Page 107, delete lines 16 to 18

Page 107, line 20, delete "only, one-half of the aid amount" and insert a comma

Page 107, delete lines 21 to 23

Page 107, line 24, delete everything before the second "the"

Page 108, line 5, delete "out-of-home placement and"

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

Mr. Betzold moved to amend S.F. No. 1775 as follows:

Page 13, line 18, delete "and"

Page 13, line 22, before the period, insert "; and

*(10) the first \$1,000 of compensation for active duty personal services in the armed forces of the United States or the United Nations wholly performed outside the state of Minnesota"*

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Beckman	Chmielewski	Johnston	Lessard	Runbeck
Belanger	Cohen	Kelly	Murphy	Spear
Benson, D.D.	Day	Kiscaden	Neuville	Stevens
Benson, J.E.	Frederickson	Knutson	Oliver	Vickerman
Berg	Hanson	Laidig	Olson	
Bertram	Johnson, D.E.	Larson	Pariseau	
Betzold	Johnson, J.B.	Lesewski	Robertson	

Those who voted in the negative were:

Adkins	Hottinger	Marty	Piper	Solon
Anderson	Janezich	Merriam	Pogemiller	Stumpf
Berglin	Johnson, D.J.	Metzen	Price	Terwilliger
Chandler	Krentz	Moe, R.D.	Ranum	Wiener
Dille	Kroening	Mondale	Reichgott Junge	
Finn	Langseth	Morse	Sams	
Flynn	Luther	Pappas	Samuelson	

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

Ms. Olson moved to amend S.F. No. 1775 as follows:

Page 75, line 20, before "*Minnesota*" insert "(a)"

Page 75, after line 21, insert:

*"(b) Minnesota Statutes 1992, chapters 273, as amended, and 477A, as amended, are repealed."*

Page 75, line 30, after "14" insert ", paragraph (a)."

Page 75, after line 30, insert:

*"Section 14, paragraph (b), is effective for taxes levied in 1997, payable in 1998 and aids payable in 1998, and thereafter."*

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Day	Kiscaden	Neuville	Runbeck
Belanger	Dille	Knutson	Oliver	Samuelson
Benson, D.D.	Frederickson	Krentz	Olson	Stevens
Benson, J.E.	Johnson, D.E.	Laidig	Pappas	Terwilliger
Berg	Johnston	Larson	Pariseau	
Cohen	Kelly	Lesewski	Robertson	

Those who voted in the negative were:

Adkins	Flynn	Lessard	Murphy	Spear
Beckman	Hanson	Luther	Piper	Stumpf
Berglin	Hottinger	Marty	Pogemiller	Vickerman
Bertram	Janezich	Merriam	Price	Wiener
Betzold	Johnson, D.J.	Metzen	Ranum	
Chandler	Johnson, J.B.	Moe, R.D.	Reichgott Junge	
Chmielewski	Kroening	Mondale	Sams	
Finn	Langseth	Morse	Solon	

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

Mr. Johnson, D.J. moved that S.F. No. 1775 be laid on the table. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

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

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 3209.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 13, 1994

**FIRST READING OF HOUSE BILLS**

The following bill was read the first time.

H.F. No. 3209: A bill for an act relating to the financing and operation of state and local government; conforming with changes in the federal income tax law; changing tax brackets, rates, bases, exemptions, withholding, payments, and refunds; allowing tax credits; providing aids to local governments; changing the calculation of property tax refunds; modifying property tax provisions relating to petitions, procedures, valuation, levies, classifications, homesteads, credits, and exemptions; abolishing limited market value; changing certain tax return or report requirements; changing operation of the local government trust fund; authorizing special assessments; authorizing local taxes; enacting provisions relating to certain cities, counties, special taxing districts, and towns; changing certain redemption provisions; reforming state budget procedures; changing the deposit of certain revenues; changing certain bonding provisions and authorizing bonding; modifying tax increment financing requirements; requiring certain permits and permit fees; requiring certain disclosures; requiring studies; transferring and appropriating money and limiting appropriations; amending Minnesota Statutes 1992, sections 16A.711, subdivisions 4 and 5; 60A.15, by adding a subdivision; 124.196; 271.06, subdivision 7; 272.121, subdivision 1; 273.111, subdivision 11; 273.1398, by adding a subdivision; 273.1399, by adding a subdivision; 273.165, subdivision 1; 278.05, subdivision 6; 289A.02, by adding a subdivision; 289A.25, subdivision 5; 290.01, subdivision 19d, and by adding a subdivision; 290.05, subdivision 3, and by adding a subdivision; 290.06, subdivisions 2c and 2d; 290.067, subdivision 1; 290.068, subdivision 2; 290.0802, subdivisions 1 and 2; 290.0921, subdivision 2; 290.35, by adding a subdivision; 290A.04, subdivisions 2 and 2a; 296.16, subdivision 1; 297.01, by adding a subdivision; 297A.01, by adding a subdivision; 297A.02, subdivision 2, and by adding a subdivision; 297A.021, by adding a subdivision; 297A.135, subdivision 1; 297A.15, subdivision 5; 297A.25, subdivision 9, and by adding subdivisions; 297A.256; 297A.44, subdivision 4; 297C.03, subdivision 6; 297C.13, subdivision 1; 298.017, subdivision 2; 298.26; 340A.311; 360.036, subdivisions 2 and 3; 360.037, subdivision 2; 360.042, subdivision 10; 469.004, subdivision 1a; 469.175, subdivisions 3, 4, and by adding a subdivision; 469.1761, subdivisions 1, 2, and 3; 469.177, subdivision 1a; 473.341; 473H.05, by adding a subdivision; 473H.18; and 580.23, as amended; Minnesota Statutes 1993 Supplement, sections 16A.712; 84.794, subdivision 1; 84.803, subdivision 1; 270.78; 273.11, subdivisions 5, 16, and by adding a subdivision; 273.121; 273.124, subdivision 1; 273.13, subdivisions 23 and 24; 275.065, subdivision 3; 276.04, subdivision 2; 278.01, subdivision 1; 289A.11, subdivision 1; 289A.26, subdivision 7; 289A.60, subdivision 21; 290.01, subdivision 19; 290.091, subdivision 2; 290A.03, subdivision 3; 290A.04, subdivisions 2h, as amended, and 6; 290A.23, subdivision 1; 296.02, subdivision 1a; 296.025, subdivision 1a; 297A.01, subdivision 16; 297B.03; 469.176, subdivisions 1b and 4c; and 477A.03, subdivision 1; Laws 1969, chapter 499, section 2; Laws 1993, chapter 375, article 9, section 51; proposing coding for new law in Minnesota Statutes, chapters 16A; 275; 296; 297A; 297B; 462C; 469; and 473; repealing Minnesota Statutes 1992, sections 290.05, subdivision 6; and 290.067, subdivision 6; Minnesota Statutes 1993 Supplement, sections 82.19, subdivision 9; 273.11, subdivision 1a; and 289A.25, subdivision 5a.

### 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. 3209 and that the rules of the Senate be so far suspended as to give H.F. No. 3209 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 3209 was read the second time.

Mr. Johnson, D.J. moved to amend H.F. No. 3209 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 3209, and insert the language after the enacting clause, and the title, of S.F. No. 1775, the first engrossment, as amended by the Senate April 13, 1994.

The motion prevailed. So the amendment was adopted.

H.F. No. 3209 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 46 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Mondale	Samuelson
Anderson	Day	Krentz	Morse	Solon
Beckman	Dille	Kroening	Murphy	Spear
Belanger	Flynn	Langseth	Pappas	Stumpf
Berg	Hanson	Larson	Piper	Vickerman
Berglin	Hottinger	Lessard	Pogemiller	Wiener
Bertram	Janezich	Luther	Price	
Betzold	Johnson, D.J.	Merriam	Ranum	
Chandler	Johnson, J.B.	Metzen	Reichgott Junge	
Chmielewski	Kelly	Moe, R.D.	Sams	

Those who voted in the negative were:

Benson, D.D.	Johnson, D.E.	Lesewski	Olson	Stevens
Benson, J.E.	Johnston	Marty	Pariseau	Terwilliger
Finn	Kiscaden	Neuville	Robertson	
Frederickson	Laidig	Oliver	Runbeck	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott Junge moved that H.F. No. 2362 be taken from the table. The motion prevailed.

H.F. No. 2362: A bill for an act relating to animals; changing the definition of a potentially dangerous dog; changing the identification tag requirements for a dangerous dog; amending Minnesota Statutes 1992, sections 347.50, subdivision 3; and 347.51, subdivision 7.

Ms. Reichgott Junge moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2362, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. Samuelson moved that S.F. No. 1758 be taken from the table. The motion prevailed.



S.F. No. 1758: A bill for an act relating to welfare reform; requiring pregnant and parenting minors to live with their parents in order to receive aid to families with dependent children (AFDC); providing an exception to the AFDC overpayment statute; allowing start work offset to AFDC recipients in the first month of work; broadening the scope of the employment and training statute by requiring more AFDC recipients to participate in job search; allowing vendor emergency assistance payments for damage deposit; providing required workers' compensation insurance for community work experience program workers; expanding cost-neutral fraud prevention programs; allowing emergency assistance damage deposit be returned to the county; allowing the county to pay monthly general assistance differently; making general assistance and work readiness lump-sum criteria the same as the AFDC lump-sum criteria, with some exceptions; requiring a study to expand the parent's fair share pilot project statewide; requiring the departments of human services and revenue to design and implement a plan which supports working families; directing the commissioner of human services to seek several waivers from the federal government which support and promote moving off welfare and becoming self-sufficient; expanding the parent's fair share pilot project into Ramsey county; expanding state support for basic sliding fee day care program; appropriating money; amending Minnesota Statutes 1992, sections 256.73, by adding subdivisions; 256.737, by adding a subdivision; 256.81; 256.979, by adding a subdivision; 256.983, subdivision 1; 256D.05, subdivision 6; 256D.09, by adding a subdivision; 256H.05, subdivision 1b; and 268.672, subdivision 6; Minnesota Statutes 1993 Supplement, sections 256.031, subdivision 3; 256.73, subdivision 8; and 256.736, subdivisions 10 and 14; proposing coding for new law in Minnesota Statutes, chapters 256; and 256D; repealing Minnesota Statutes 1993 Supplement, section 256.734.

### CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on S.F. No. 1758. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Samuelson moved that the Senate concur in the amendments by the House to S.F. No. 1758 and that the bill be placed on its repassage as amended.

Mr. Betzold moved that the Senate do not concur in the amendments by the House to S.F. No. 1758, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the motion.

Mr. Chmielewski moved that those not voting be excused from voting. The motion did not prevail.

Mr. Johnson, D.E. moved that those not voting be excused from voting. The motion did not prevail.

Mr. Samuelson moved that those not voting be excused from voting.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 32 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Kroening	Metzen	Stevens
Beckman	Frederickson	Laidig	Neuville	Stumpf
Benson, J.E.	Hanson	Langseth	Olson	Terwilliger
Berg	Johnson, D.E.	Larson	Pariseau	Vickerman
Bertram	Johnston	Lesewski	Runbeck	
Chmielewski	Kelly	Lessard	Sams	
Day	Knutson	Merriam	Samuelson	

Those who voted in the negative were:

Anderson	Finn	Krentz	Murphy	Ranum
Benson, D.D.	Flynn	Luther	Oliver	Reichgott Junge
Berglin	Hottinger	Marty	Pappas	Robertson
Betzold	Janezich	Moe, R.D.	Piper	Solon
Chandler	Johnson, J.B.	Mondale	Pogemiller	Spear
Cohen	Kiscaden	Morse	Price	Wiener

The motion did not prevail.

Mr. Berg moved that those not voting be excused from voting. The motion did not prevail.

Mr. Johnson, D.E. moved that those not voting be excused from voting. The motion did not prevail.

Mr. Samuelson moved that those not voting be excused from voting.

The question was taken on the adoption of the motion.

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

Those who voted in the affirmative were:

Adkins	Chmielewski	Kelly	Lessard	Sams
Beckman	Day	Knutson	Merriam	Samuelson
Belanger	Dille	Kroening	Metzen	Stevens
Benson, D.D.	Frederickson	Laidig	Neuville	Stumpf
Benson, J.E.	Hanson	Langseth	Olson	Vickerman
Berg	Johnson, D.E.	Larson	Pariseau	
Bertram	Johnston	Lesewski	Runbeck	

Those who voted in the negative were:

Anderson	Hottinger	Moe, R.D.	Pogemiller	Spear
Berglin	Janezich	Mondale	Price	Terwilliger
Betzold	Johnson, J.B.	Morse	Ranum	Wiener
Chandler	Kiscaden	Murphy	Reichgott Junge	
Cohen	Krentz	Oliver	Riveness	
Finn	Luther	Pappas	Robertson	
Flynn	Marty	Piper	Solon	

The motion did not prevail.

Mr. Samuelson moved that the President be directed to close the role.

The roll was called and there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnston	Lesewski	Runbeck
Beckman	Day	Kelly	Lessard	Sams
Belanger	Dille	Knutson	Merriam	Samuelson
Benson, D.D.	Frederickson	Kroening	Metzen	Stevens
Benson, J.E.	Hanson	Laidig	Neuville	Stumpf
Berg	Johnson, D.E.	Langseth	Olson	Vickerman
Bertram	Johnson, D.J.	Larson	Pariseau	

Those who voted in the negative were:

Anderson	Hottinger	Moe, R.D.	Pogemiller	Spear
Berglin	Janezich	Mondale	Price	Terwilliger
Betzold	Johnson, J.B.	Morse	Ranum	Wiener
Chandler	Kiscaden	Murphy	Reichgott Junge	
Cohen	Krentz	Oliver	Riveness	
Finn	Luther	Pappas	Robertson	
Flynn	Marty	Piper	Solon	

The motion prevailed.

The roll was called on the Betzold motion, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Moe, R.D.	Pogemiller	Spear
Berglin	Janezich	Mondale	Price	Terwilliger
Betzold	Johnson, J.B.	Morse	Ranum	Wiener
Chandler	Kiscaden	Murphy	Reichgott Junge	
Cohen	Krentz	Oliver	Riveness	
Finn	Luther	Pappas	Robertson	
Flynn	Marty	Piper	Solon	

Those who voted in the negative were:

Adkins	Chmielewski	Johnston	Lesewski	Runbeck
Beckman	Day	Kelly	Lessard	Sams
Belanger	Dille	Knutson	Merriam	Samuelson
Benson, D.D.	Frederickson	Kroening	Metzen	Stevens
Benson, J.E.	Hanson	Laidig	Neuville	Stumpf
Berg	Johnson, D.E.	Langseth	Olson	Vickerman
Bertram	Johnson, D.J.	Larson	Pariseau	

The motion did not prevail.

Mr. Moe, R.D. moved that S.F. No. 1758 be laid on the table. The motion prevailed.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

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

### APPOINTMENTS

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

H.F. No. 2675: Messrs. Lessard, Chmielewski and Merriam.

S.F. No. 2900: Messrs. Stumpf, Price, Solon, Ms. Wiener and Mrs. Benson, J.E.

H.F. No. 2362: Ms. Reichgott Junge, Mr. Metzen and Ms. Lesewski.

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

### MEMBERS EXCUSED

Messrs. McGowan and Novak were excused from the Session of today. Ms. Anderson was excused from the Session of today from 10:00 to 10:25 a.m.

Mr. Bertram was excused from the Session of today from 8:30 to 9:26 a.m. Mr. Lessard was excused from the Session of today from 10:00 to 10:30 a.m., 1:00 to 1:20 p.m. and 3:00 to 3:25 p.m. Mr. Oliver was excused from the Session of today from 2:00 to 4:00 p.m. Mr. Pogemiller was excused from the Session of today from 3:45 to 4:00 p.m. and 5:00 to 5:15 p.m. Mr. Riveness was excused from the Session of today from 4:45 to 6:00 p.m.

#### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:00 a.m., Thursday, April 14, 1994. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate