

**Senate Tax Committee**  
**Tuesday, March 1, 2005**  
**Room 15 Capitol**  
**Chair, Senator Lawrence J. Pogemiller**

Present

Pogemiller, Chair  
Tomassoni, Vice Chair  
Bakk  
Belanger  
Betzold  
Johnson  
Marty  
McGinn  
Moua  
Ortman  
Skoe

Absent

Limmer

Senator Pogemiller called the meeting to order at 9:05 a.m.

A quorum was present.

**Agenda Item #1: February Forecast Discussion**

1. Presented by Commissioner Margaret Ingison, Department of Finance
  - a. Tom Stinson, State Economist
  - b. Jim Showaiter, Assistant Commissioner
    - i. Handout #1 "February Forecast Highlights"
2. Overview of Handout #2 "MN Budget Forecast Power Point"
  - a. School shifts and buy back discussions, pg. 2
  - b. Economy and Revenue Discussion by Tom Stinson
    - i. Discussion of pg. 3 graphs, payroll employment rate and wage growth
    - ii. Discussion of p. 4 unemployment claims and major tax sources
    - iii. Discussion of oil (barrel) prices
  - c. Jim Showaiter-Change in Forecast Spending discussion, pg. 5
3. General Discussion
  - a. Inflation considerations
  - b. Summary of shifts
    - i. Education shifts-\$350 million, 90/10%
    - ii. Property tax recognition K-12, \$337 million
    - iii. Capture equipment \$50 million
  - c. June accelerated sales tax and LGA payments Discussion

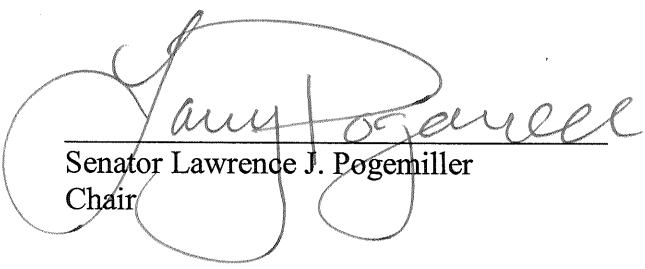
**Agenda Item #2: SF 971 (Pogemiller) Public Finance Bill**

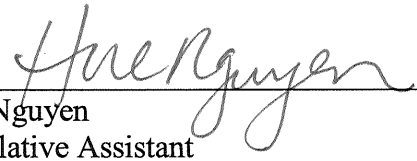
1. Presented by Senator Pogemiller
2. Section by section summary by Lynn Endorf, Legislative Chair, MN Institute of Public Finance
  - a. Section 1-Commerce Commissioner provisions
    - i. Testimony
      1. Laura Fenstermaker, MCPA; Concerns with 3<sup>rd</sup> party liability
      2. Set aside for discussion with Chair of Commerce Committee and Commissioner
  - b. Section 2-Investment of public funds
    - i. Senator Moua moves to incorporate in Tax 2 draft
    - ii. Motion adopted
  - c. Section 3-Levies for storm sewer improvements
    - i. Senator Moua moves Section 3 be incorporated into Tax 2 draft
    - ii. Motion adopted
  - d. Section 4- Maximum term of capitol notes

- i. Difference between this provision and last years bill, Refer to Senate Counsel
    - ii. A-1 amendment
    - iii. Set aside
  - e. Section 5, 16 and 18-Technical clarification in the Tax II bill already
  - f. Section 6 and 7- Already in Tax II draft
  - g. Section 8 and 9-Already in Tax II draft
    - i. A-1 amendment also deals with Section 8
  - h. Section 10 and 11-Annexation
    - i. Testimony
      - 1. Kent Sulem, MN Association of Townships
      - 2. Senator Ortman is concerned with the implications to residents
      - 3. Set aside
  - i. Section 12-General obligation revenue bonds
    - i. Senator Moua moves that Section 12 is incorporated into Tax II. Motion adopted
  - j. Section 15-Pay judgments
    - i. Senator Moua moves that Section 15 be incorporated into Tax II. Motion adopted
  - k. Section 13-Bonds and industrial revenue
    - i. Handout #3 "Proposed amendment"
    - ii. Senator Moua moves that Section 13 be incorporated into Tax II. Motion adopted
  - l. Section 19, 20, 21-Capital improvements bond program
    - i. Senator Moua moves that Sections 19-21 be incorporated into Tax II. Motion adopted
  - m. Section 22-Municipality bonds
    - i. Senator Moua moves that Section 22 be incorporated into Tax II. Motion adopted
  - n. Continuation of Section 11 discussion
    - i. Amendment proposal, pg. 9, line 32 after 429.051, insert "But only if the orderly annexation agreement includes a statement of the municipalities intention to do so".
    - ii. Senator Ortman moves Section 11 A-1 amendment. Motion adopted
3. Section 9
- a. Senator Johnson's SF is already moving to the floor.
4. Senator Moua moves A-1 amendment as part of Tax II. Motion adopted.

Senator Pogemiller adjourned the meeting at 11:05 a.m.

Respectfully Submitted:

  
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 Senator Lawrence J. Pogemiller  
 Chair

  
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 Hue Nguyen  
 Legislative Assistant

Senate Committee on Taxes  
Tuesday, March 1, 2005  
9:00 a.m., Room 15 Capitol

AGENDA

Briefing regarding February Economic Forecast.  
Commissioner Margaret Ingison, Department of Finance

SF 971 (Pogemiller) Public Finance bill  
Lynn Endorf, Legislative Chair, MN Institute of Public Finance

Senator Lawrence J. Pogemiller  
Chair

Hue Nguyen  
Legislative Assistant

## Senate Committee Meeting Log

Committee Name: Taxes  
 Date: 3/1/05 Day: Tue Start Time: 9A

**Agenda**

Bill # (or Topic)	February Economic Forecast
Author	
Short Descriptor	
Action(s)	briefing, general discussion
Bill # (or Topic)	SF 971
Author	Pogemiller
Short Descriptor	Public Finance Bill
Action(s)	Section 2 incorporated into TAX2 section 3 incorporated into TAX2 section 4 incorporated into TAX2 section 13 incorporated into TAX2 section 19 incorporated into TAX2 (also section 20 is 21) section 22 incorporated into TAX2 Section 10 with language amendment incorporated into TAX2 A 1 incorporated into TAX2
<del>Bill # (or Topic)</del>	
<del>Author</del>	
<del>Short Descriptor</del>	
<del>Action(s)</del>	
<del>Bill # (or Topic)</del>	
<del>Author</del>	
<del>Short Descriptor</del>	
<del>Action(s)</del>	