


1.1 **Senator Senator Johnson, D.E. from the Committee on Rules and**
1.2 **Administration, to which was re-referred**

1.3 **S.F. No. 2734:** A bill for an act relating to natural and cultural resources; proposing
1.4 an amendment to the Minnesota Constitution, article XI; increasing the sales tax rate by
1.5 three-eighths of one percent and dedicating the receipts for natural and cultural resource
1.6 purposes; creating an arts, humanities, museum, and public broadcasting fund; creating
1.7 a heritage enhancement fund; creating a parks and trails fund; creating a clean water
1.8 fund; establishing a Heritage Enhancement Council; establishing a Clean Water Council;
1.9 amending Minnesota Statutes 2004, sections 297A.62, subdivision 1; 297A.94; 297B.02,
1.10 subdivision 1; Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35;
1.11 proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 103F; 129D.

1.12 Reports the same back with the recommendation that the bill do pass. Report
1.13 adopted.

1.14 
1.15
(Committee Chair)

1.16 March 29, 2006
1.17 (Date of Committee recommendation)

1.1 A bill for an act
 1.2 relating to natural and cultural resources; proposing an amendment to the
 1.3 Minnesota Constitution, article XI; increasing the sales tax rate by three-eighths
 1.4 of one percent and dedicating the receipts for natural and cultural resource
 1.5 purposes; creating an arts, humanities, museum, and public broadcasting fund;
 1.6 creating a heritage enhancement fund; creating a parks and trails fund; creating
 1.7 a clean water fund; establishing a Heritage Enhancement Council; establishing
 1.8 a Clean Water Council; amending Minnesota Statutes 2004, sections 297A.62,
 1.9 subdivision 1; 297A.94; 297B.02, subdivision 1; Minnesota Statutes 2005
 1.10 Supplement, section 10A.01, subdivision 35; proposing coding for new law in
 1.11 Minnesota Statutes, chapters 85; 97A; 103F; 129D.

1.12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.13 Section 1. CONSTITUTIONAL AMENDMENT.

1.14 An amendment to the Minnesota Constitution is proposed to the people. If the
 5 amendment is adopted, a section will be added to article XI, to read:

1.16 Sec. 15. Beginning July 1, 2007, until June 30, 2032, the sales and use tax rate shall be
 1.17 increased by three-eighths of one percent on sales and uses taxable under the general state
 1.18 sales and use tax law. Receipts from the increase, plus penalties and interest and reduced
 1.19 by any refunds, are dedicated as follows: 34 percent of the receipts shall be deposited in
 1.20 the heritage enhancement fund and may be spent only to improve, enhance, or protect the
 1.21 state's fish, wildlife, habitat, and fish and wildlife tourism; 22 percent of the receipts shall
 1.22 be deposited in the parks and trails fund and may be spent only on parks, trails, and zoos
 1.23 in the state; 22 percent of the receipts shall be deposited in the clean water fund and may
 1.24 be spent only on protection and restoration of the state's lakes, rivers, streams, wetlands,
 1.25 and groundwater; and 22 percent of the receipts shall be deposited in the arts, humanities,
 1.26 museum, and public broadcasting fund and may be spent only on arts, humanities, history,
 1.27 museums, and public broadcasting. An arts, humanities, museum, and public broadcasting

2.1 fund; a heritage enhancement fund; a parks and trails fund; and a clean water fund are
 2.2 created in the state treasury. The money dedicated under this section shall be appropriated
 2.3 by law. The money dedicated under this section for fish, wildlife, habitat, fish and wildlife
 2.4 tourism, parks, trails, zoos, protection and restoration of waters, arts, and history shall
 2.5 not be used as a substitute for traditional funding sources for the purposes specified, but
 2.6 the dedicated money shall supplement traditional sources of funding for those purposes.
 2.7 Land acquired by fee with money deposited in the heritage enhancement fund under this
 2.8 section must be open to public taking of fish and game during the open season unless
 2.9 otherwise provided by law.

2.10 **Sec. 2. SUBMISSION TO VOTERS.**

2.11 The proposed amendment shall be submitted to the people at the 2006 general
 2.12 election. The question submitted shall be:

2.13 "Shall the Minnesota Constitution be amended to provide funding beginning July 1,
 2.14 2007, to improve, enhance, or protect the state's fish, wildlife, habitat, and fish and wildlife
 2.15 tourism; its parks, trails, and zoos; its lakes, rivers, streams, wetlands, and groundwater;
 2.16 and its arts, humanities, history, museums, and public broadcasting by increasing the sales
 2.17 and use tax rate by three-eighths of one percent on taxable sales until the year 2032?

2.18 Yes

2.19 No"

2.20 **Sec. 3. Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35, is**
 2.21 **amended to read:**

2.22 **Subd. 35. Public official. "Public official" means any:**

2.23 (1) member of the legislature;

2.24 (2) individual employed by the legislature as secretary of the senate, legislative
 2.25 auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or
 2.26 attorney in the Office of Senate Counsel and Research or House Research;

2.27 (3) constitutional officer in the executive branch and the officer's chief administrative
 2.28 deputy;

2.29 (4) solicitor general or deputy, assistant, or special assistant attorney general;

2.30 (5) commissioner, deputy commissioner, or assistant commissioner of any state
 2.31 department or agency as listed in section 15.01 or 15.06, or the state chief information
 2.32 officer;

3.1 (6) member, chief administrative officer, or deputy chief administrative officer of a
 3.2 state board or commission that has either the power to adopt, amend, or repeal rules under
 3.3 chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend,
 3.5 or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

3.6 (8) executive director of the State Board of Investment;

3.7 (9) deputy of any official listed in clauses (7) and (8);

3.8 (10) judge of the Workers' Compensation Court of Appeals;

3.9 (11) administrative law judge or compensation judge in the State Office of
 3.10 Administrative Hearings or referee in the Department of Employment and Economic
 3.11 Development;

3.12 (12) member, regional administrator, division director, general counsel, or operations
 3.13 manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

3.15 (14) director of the Division of Alcohol and Gambling Enforcement in the
 3.16 Department of Public Safety;

3.17 (15) member or executive director of the Higher Education Facilities Authority;

3.18 (16) member of the board of directors or president of Minnesota Technology, Inc.; or

3.19 (17) member of the board of directors or executive director of the Minnesota State
 3.20 High School League; or

3.21 (18) member of the Heritage Enhancement Council.

3.22 **EFFECTIVE DATE.** This section is effective November 15, 2006, if the
 3.23 constitutional amendment proposed in section 1 is adopted by the voters.

3.24 **Sec. 4. [85.0195] PARKS AND TRAILS FUND; EXPENDITURES.**

3.25 Subdivision 1. **Fund.** The parks and trails fund is established in the Minnesota
 3.26 Constitution, article XI, section 15. All money earned by the parks and trails fund must
 3.27 be credited to the fund.

3.28 Subd. 2. **Expenditures.** Money in the parks and trails fund may be spent only on
 3.29 state and regional parks, trails, and zoos. Subject to the appropriation by law, receipts to
 3.30 the fund must be allocated in separate accounts as follows:

3.31 (1) 38 percent of the receipts may be spent only for state park and recreation area
 3.32 purposes;

3.33 (2) 11 percent of the receipts may be spent only for state trail purposes;

3.34 (3) 36 percent of the receipts may be spent only for metropolitan area, as defined in
 3.35 section 473.121, regional park and trail grants;

4.1 (4) 12 percent of the receipts may be spent only for nonmetropolitan regional parks
4.2 and trails, outdoor recreation grants, natural and scenic area grants, trail connection grants,
4.3 regional trail grants, and grant-in-aid trails; and

4.4 (5) three percent of the receipts may be spent only for the Minnesota Zoological
4.5 Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

4.6 **EFFECTIVE DATE.** This section is effective July 1, 2007, if the constitutional
4.7 amendment proposed in section 1 is adopted by the voters.

4.8 **Sec. 5. [97A.056] HERITAGE ENHANCEMENT FUND; HERITAGE**
4.9 **ENHANCEMENT COUNCIL.**

4.10 Subdivision 1. **Heritage enhancement fund.** The heritage enhancement fund is
4.11 established in the Minnesota Constitution, article XI, section 15. All money earned by
4.12 the heritage enhancement fund must be credited to the fund. At least 97 percent of the
4.13 money appropriated from the fund must be spent on specific fish, wildlife, habitat, and
4.14 fish and wildlife tourism projects.

4.15 Subd. 2. **Heritage Enhancement Council.** (a) A Heritage Enhancement Council of
4.16 11 members is created, on November 15, 2006, consisting of:

4.17 (1) two members of the senate appointed by the senate Subcommittee on Committees
4.18 of the Committee on Rules and Administration;

4.19 (2) two members of the house of representatives appointed by the speaker of the
4.20 house;

4.21 (3) two public members representing hunting, fishing, and wildlife interests
4.22 appointed by the senate Subcommittee on Committees of the Committee on Rules and
4.23 Administration;

4.24 (4) two public members representing hunting, fishing, and wildlife interests
4.25 appointed by the speaker of the house; and

4.26 (5) three public members representing hunting, fishing, and wildlife interests
4.27 appointed by the governor.

4.28 (b) One member from the senate and one member from the house of representatives
4.29 must be from the minority caucus. Legislative members are entitled to reimbursement
4.30 for per diem expenses plus travel expenses incurred in the services of the council. The
4.31 removal and, beginning July 1, 2007, the compensation of public members are as provided
4.32 in section 15.0575.

4.33 (c) Members shall elect a chair, vice chair, secretary, and other officers as determined
4.34 by the council. The chair may convene meetings as necessary to conduct the duties
4.35 prescribed by this section.

5.1 (d) Membership terms are two years, except that members shall serve on the council
5.2 until their successors are appointed.

5.3 (e) Vacancies occurring on the council do not affect the authority of the remaining
5.4 members of the council to carry out their duties. Vacancies shall be filled in the same
5.5 manner as under paragraph (a).

5.6 Subd. 3. Duties of council. (a) The council, in consultation with statewide and local
5.7 fishing, forestry, hunting, and wildlife groups, shall develop a biennial budget plan for
5.8 expenditures from the heritage enhancement fund. The biennial budget plan may include
5.9 grants to statewide and local fishing, forestry, hunting, and wildlife groups to improve,
5.10 enhance, or protect fish and wildlife resources.

5.11 (b) In the biennial budget submitted to the legislature, the governor shall submit
5.12 separate budget detail for planned expenditures from the heritage enhancement fund
5.13 as recommended by the council.

5.14 (c) As a condition of acceptance of an appropriation from the heritage enhancement
5.15 fund, an agency or entity receiving an appropriation shall submit a work program and
5.16 quarterly progress reports for appropriations from the heritage enhancement fund to the
5.17 members of the Heritage Enhancement Council in the form determined by the council.

5.18 Subd. 4. Council administration. (a) The council may employ personnel and
5.19 contract with consultants as necessary to carry out functions and duties of the council.
5.20 Permanent employees shall be in the unclassified service. The council may request staff
5.21 assistance, legal opinion, and data from agencies of state government as needed for the
5.22 execution of the responsibilities of the council.

5.23 (b) Beginning July 1, 2007, the administrative expenses of the council shall be
5.24 paid from the heritage enhancement fund.

5.25 (c) A council member or an employee of the council may not participate in or vote
5.26 on a decision of the council relating to an organization in which the member or employee
5.27 has either a direct or indirect personal financial interest. While serving on or employed by
5.28 the council, a person shall avoid any potential conflict of interest.

5.29 Subd. 5. Council meetings. Meetings of the council and other groups the council
5.30 may establish must be conducted in accordance with chapter 13D. Except where prohibited
5.31 by law, the council shall establish additional processes to broaden public involvement
5.32 in all aspects of its deliberations.

5.33 EFFECTIVE DATE. This section is effective November 15, 2006, if the
5.34 constitutional amendment proposed in section 1 is adopted by the voters.

6.1 Sec. 6. [103F.765] CLEAN WATER FUND; CLEAN WATER COUNCIL;
6.2 EXPENDITURES.

6.3 Subdivision 1. Fund. The clean water fund is established in the Minnesota
6.4 Constitution, article XI, section 15. All money earned by the clean water fund must be
6.5 credited to the fund.

6.6 Subd. 2. Expenditures. Subject to appropriation, money in the clean water fund
6.7 may be spent only on:

6.8 (1) monitoring, investigations, and analysis of the quality of Minnesota's water
6.9 resources;

6.10 (2) state and local activities to protect, preserve, and improve the quality of
6.11 Minnesota's water resources; and

6.12 (3) assistance to individuals and organizations for water quality improvement
6.13 projects.

6.14 Subd. 3. Clean Water Council; membership; appointment. A Clean Water
6.15 Council of 21 members is created. The members of the council shall elect a chair from the
6.16 nonagency members of the council. The commissioners of natural resources, agriculture,
6.17 and the Pollution Control Agency, and the executive director of the Board of Water and
6.18 Soil Resources, shall appoint one person from their respective agency to serve as a
6.19 member of the council. Seventeen additional nonagency members of the council shall
6.20 be appointed as follows:

6.21 (1) two members representing statewide farm organizations, appointed by the
6.22 governor;

6.23 (2) one member representing business organizations, appointed by the governor;

6.24 (3) one member representing environmental organizations, appointed by the
6.25 governor;

6.26 (4) one member representing soil and water conservation districts, appointed by
6.27 the governor;

6.28 (5) one member representing watershed districts, appointed by the governor;

6.29 (6) one member representing organizations focused on improvement of Minnesota
6.30 lakes or streams, appointed by the governor;

6.31 (7) two members representing an organization of county governments, one member
6.32 representing the interests of rural counties, and one member representing the interests of
6.33 counties in the seven-county metropolitan area, appointed by the governor;

6.34 (8) two members representing organizations of city governments, appointed by
6.35 the governor;

7.1 (9) one member representing the Metropolitan Council established under section
7.2 473.123, appointed by the governor;

7.3 (10) one township officer, appointed by the governor;

7.4 (11) one member of the house of representatives, appointed by the speaker;

7.5 (12) one member of the senate, appointed by the majority leader;

7.6 (13) one member representing the University of Minnesota or a Minnesota state
7.7 university, appointed by the governor; and

7.8 (14) one member representing the interests of tribal governments, appointed by
7.9 the governor.

7.10 The members of the council appointed by the governor are subject to the advice
7.11 and consent of the senate. At least six of the members appointed by the governor must
7.12 reside in the seven-county metropolitan area. In making appointments, the governor must
7.13 attempt to provide for geographic balance.

7.14 Subd. 4. **Terms; compensation; removal.** The terms of members representing the
7.15 state agencies and the Metropolitan Council are four years and are coterminous with the
7.16 governor. The terms of other members of the council shall be as provided in section
7.17 15.059, subdivision 2. Members may serve until their successors are appointed and
7.18 qualify. Compensation and removal of council members is as provided in section 15.059,
7.19 subdivisions 3 and 4. A vacancy on the council may be filled by the appointing authorities,
7.20 as provided in subdivision 3, for the remainder of the unexpired term.

7.21 Subd. 5. **Recommendations on appropriation of funds.** The Clean Water Council
7.22 shall recommend to the governor the manner in which money from the clean water fund
7.23 should be appropriated for the purposes identified in subdivision 2.

7.24 Subd. 6. **Biennial report to legislature.** By December 1 of each even-numbered
7.25 year, the council shall submit a report to the legislature on the activities for which money
7.26 from the clean water fund has been or will be spent for the current biennium, and the
7.27 activities for which money from the account is recommended to be spent in the next
7.28 biennium.

7.29 Subd. 7. **Council meetings.** Meetings of the council and other groups the council
7.30 may establish must be conducted in accordance with chapter 13D. Except where prohibited
7.31 by law, the council shall establish additional processes to broaden public involvement
7.32 in all aspects of its deliberations.

7.33 **EFFECTIVE DATE.** This section is effective July 1, 2007, if the constitutional
7.34 amendment proposed in section 1 is adopted by the voters.

8.1 Sec. 7. [129D.17] ARTS, HUMANITIES, MUSEUM, AND PUBLIC
 8.2 BROADCASTING FUND; EXPENDITURES.

8.3 Subdivision 1. Fund. The arts, humanities, museum, and public broadcasting fund
 8.4 is established in the Minnesota Constitution, article XI, section 15. All money earned
 8.5 by the fund must be credited to the fund.

8.6 Subd. 2. Expenditures. Subject to appropriation, receipts in the fund must be
 8.7 allocated by the commissioner of finance as follows:

8.8 (1) 43 percent to the Minnesota State Arts Board;

8.9 (2) 23 percent to the Minnesota Historical Society;

8.10 (3) 23 percent to public broadcasting;

8.11 (4) four percent to the Science Museum of Minnesota;

8.12 (5) 3.5 percent to the Humanities Commission;

8.13 (6) 2.5 percent to the Minnesota Film Board; and

8.14 (7) one percent to the Minnesota Children's Museum and the Duluth Children's
 8.15 Museum.

8.16 Money allocated to the Minnesota State Arts Board may not be used for
 8.17 administrative purposes. If one of the above entities ceases to exist, then the appropriated
 8.18 money must be allocated proportionally among the remaining entities.

8.19 EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional
 8.20 amendment proposed in section 1 is adopted by the voters.

8.21 Sec. 8. Minnesota Statutes 2004, section 297A.62, subdivision 1, is amended to read:

8.22 Subdivision 1. **Generally.** (a) Except as otherwise provided in subdivision 2 or 3
 8.23 or in this chapter, a sales tax of 6.5 percent is imposed on the gross receipts from retail
 8.24 sales as defined in section 297A.61, subdivision 4, made in this state or to a destination
 8.25 in this state by a person who is required to have or voluntarily obtains a permit under
 8.26 section 297A.83, subdivision 1.

8.27 (b) The increased rate required under the Minnesota Constitution, article XI, section
 8.28 15, shall be added to the rate imposed under paragraph (a).

8.29 EFFECTIVE DATE. This section is effective July 1, 2007, if the constitutional
 8.30 amendment proposed in section 1 is adopted by the voters.

8.31 Sec. 9. Minnesota Statutes 2004, section 297A.94, is amended to read:

8.32 **297A.94 DEPOSIT OF REVENUES.**

9.1 (a) Except as provided in this section and the Minnesota Constitution, article XI,
9.2 section 15, the commissioner shall deposit the revenues, including interest and penalties,
9.3 derived from the taxes imposed by this chapter in the state treasury and credit them to the
general fund.

9.5 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic
9.6 account in the special revenue fund if:

9.7 (1) the taxes are derived from sales and use of property and services purchased for
9.8 the construction and operation of an agricultural resource project; and

9.9 (2) the purchase was made on or after the date on which a conditional commitment
9.10 was made for a loan guaranty for the project under section 41A.04, subdivision 3.

9.11 The commissioner of finance shall certify to the commissioner the date on which the
9.12 project received the conditional commitment. The amount deposited in the loan guaranty
9.13 account must be reduced by any refunds and by the costs incurred by the Department of
14 Revenue to administer and enforce the assessment and collection of the taxes.

9.15 (c) The commissioner shall deposit the revenues, including interest and penalties,
9.16 derived from the taxes imposed on sales and purchases included in section 297A.61,
9.17 subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them
9.18 as follows:

9.19 (1) first to the general obligation special tax bond debt service account in each fiscal
9.20 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

9.21 (2) after the requirements of clause (1) have been met, the balance to the general
9.22 fund.

9.23 (d) The commissioner shall deposit the revenues, including interest and penalties,
24 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the
9.25 general fund. By July 15 of each year the commissioner shall transfer to the highway user
9.26 tax distribution fund an amount equal to the excess fees collected under section 297A.64,
9.27 subdivision 5, for the previous calendar year.

9.28 (e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and
9.29 for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and
9.30 penalties, transmitted to the commissioner under section 297A.65, must be deposited by
9.31 the commissioner in the state treasury as follows:

9.32 (1) 50 percent of the receipts must be deposited in the heritage enhancement account
9.33 in the game and fish fund, and may be spent only on activities that improve, enhance, or
9.34 protect fish and wildlife resources, including conservation, restoration, and enhancement
35 of land, water, and other natural resources of the state;

10.1 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and
10.2 may be spent only for state parks and trails;

10.3 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and
10.4 may be spent only on metropolitan park and trail grants;

10.5 (4) three percent of the receipts must be deposited in the natural resources fund, and
10.6 may be spent only on local trail grants; and

10.7 (5) two percent of the receipts must be deposited in the natural resources fund,
10.8 and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and
10.9 Conservatory, and the Duluth Zoo.

10.10 (f) The revenue dedicated under paragraph (e) may not be used as a substitute
10.11 for traditional sources of funding for the purposes specified, but the dedicated revenue
10.12 shall supplement traditional sources of funding for those purposes. Land acquired with
10.13 money deposited in the game and fish fund under paragraph (e) must be open to public
10.14 hunting and fishing during the open season, except that in aquatic management areas or
10.15 on lands where angling easements have been acquired, fishing may be prohibited during
10.16 certain times of the year and hunting may be prohibited. At least 87 percent of the money
10.17 deposited in the game and fish fund for improvement, enhancement, or protection of fish
10.18 and wildlife resources under paragraph (e) must be allocated for field operations.

10.19 **EFFECTIVE DATE.** This section is effective July 1, 2007, if the constitutional
10.20 amendment proposed in section 1 is adopted by the voters.

10.21 Sec. 10. Minnesota Statutes 2004, section 297B.02, subdivision 1, is amended to read:

10.22 Subdivision 1. **Rate.** There is imposed an excise tax at the rate provided in ~~chapter~~
10.23 ~~297A~~ section 297A.62, subdivision 1, paragraph (a), on the purchase price of any motor
10.24 vehicle purchased or acquired, either in or outside of the state of Minnesota, which is
10.25 required to be registered under the laws of this state.

10.26 The excise tax is also imposed on the purchase price of motor vehicles purchased
10.27 or acquired on Indian reservations when the tribal council has entered into a sales tax on
10.28 motor vehicles refund agreement with the state of Minnesota.

10.29 **EFFECTIVE DATE.** This section is effective July 1, 2007, if the constitutional
10.30 amendment proposed in section 1 is adopted by the voters.

Rules and Administration Committee
Roll Call Votes 2006

Pariseau
motion-Larson

* Verbal
amendment
to SF. 2734

	Aye (11)	Nay (17)	Pass
Senator DE Johnson		✓	
Senator Rest		✓	
Senator Belanger			
Senator Berglin		✓	
Senator Cohen		✓	
Senator Day		✓	
Senator Dille	✓		
Senator Fischbach	✓		
Senator Frederickson		✓	
Senator Hottinger		✓	
Senator Kiscaden		✓	
Senator Langseth		✓	
Senator Larson	✓		
Senator Limmer	✓		
Senator Marty		✓	
Senator Metzen		✓	
Senator Neuville	✓		
Senator Olson	✓		
Senator Pappas		✓	
Senator Pariseau	✓		

	Aye	Nay	Pass
Senator Pogemiller	_____	<u>✓</u>	_____
Senator Ranum	_____	<u>✓</u>	_____
Senator Sams	_____	<u>✓</u>	_____
Senator Stumpf	_____	<u>✓</u>	_____
Senator Vickerman	_____	<u>✓</u>	_____
	Total	Total	Total
	_____	_____	_____

* S.F. 2734
 Sams
 Poye motion

Rules and Administration Committee
 Roll Call Votes 2006

	Aye	Nay	Pass
Senator DE Johnson	✓		
Senator Rest	✓		
Senator Belanger	—		
Senator Berglin	✓		
Senator Cohen	✓		
Senator Day		✓	
Senator Dille	✓		
Senator Fischbach	✓		
Senator Frederickson	✓		
Senator Hottinger	✓		
Senator Kiscaden	✓		
Senator Langseth	✓		
Senator Larson	✓		
Senator Limmer		✓	
Senator Marty	✓		
Senator Metzen	✓		
Senator Neuville		✓	
Senator Olson	✓		
Senator Pappas	✓		
Senator Pariseau	✓	_____	

(21)

(3)

~~_____~~

	Aye	Nay	Pass
Senator Pogemiller	<u>✓</u>	_____	_____
Senator Ranum	<u>✓</u>	_____	_____
Senator Sams	<u>✓</u>	_____	_____
Senator Stumpf	<u>✓</u>	_____	_____
Senator Vickerman	<u>✓</u>	_____	_____
	Total	Total	Total
	_____	_____	_____

SF 2625-Berglin
* Day motion
for roll call

Rules and Administration Committee
Roll Call Votes 2006

	Aye	Nay	Pass
Senator DE Johnson	✓		
Senator Rest	✓		
Senator Belanger			
Senator Berglin	✓		
Senator Cohen	✓		
Senator Day		✓	
Senator Dille		✓	
Senator Fischbach		✓	
Senator Frederickson	✓		
Senator Hottinger	✓		
Senator Kiscaden	✓		
Senator Langseth		✓	
Senator Larson		✓	
Senator Limmer		✓	
Senator Marty	✓		
Senator Metzen	✓		
Senator Neuville			
Senator Olson		✓	
Senator Pappas	✓		
Senator Pariseau		✓	

14

8

	Aye	Nay	Pass
Senator Pogemiller	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ranum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Sams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Stumpf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Vickerman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Total	Total	Total
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1.1 **Senator Johnson, D.E. from the Committee on Rules and Administration, to**
1.2 **which was referred under Rule 21, together with the committee report thereon,**

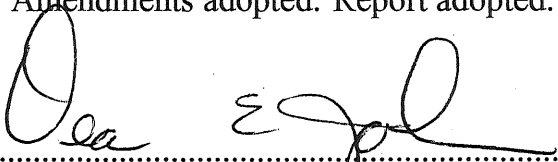
1.3 **S.F. No. 2625:** A bill for an act proposing an amendment to the Minnesota
Constitution, article XIII, by adding a section; affirming that every resident of Minnesota
has the right to affordable health care.

1.6 Reports the same back with the recommendation that the report from the Committee
1.7 on Health and Family Security, shown in the Journal for March 8, 2006, be adopted; that
1.8 committee recommendation being:

1.9 "the bill do pass and be re-referred to the Committee on Rules and Administration"
1.10 and that the bill be further amended as follows:

1.11 Page 2, line 3, delete "2008" and insert "2009"

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


.....
(Committee Chair)

March 29, 2006
(Date of Committee recommendation)

1.13
1.14

1.15
1.16

Senators Berglin and Johnson, D.E. introduced--

S.F. No. 2625: Referred to the Committee on Health and Family Security.

1.1 A bill for an act
1.2 proposing an amendment to the Minnesota Constitution, article XIII, by adding a
1.3 section; affirming that every resident of Minnesota has the right to affordable
1.4 health care.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. CONSTITUTIONAL AMENDMENT PROPOSED.

1.7 An amendment to the Minnesota Constitution is proposed to the people. If the
1.8 amendment is adopted, a section will be added to article XIII, to read:

1.9 Sec. 13. Every Minnesota resident has the right to health care. It is the responsibility of
1.10 the governor and the legislature to implement all necessary legislation to ensure affordable
1.11 health care.

1.12 Sec. 2. SUBMISSION TO VOTERS.

1.13 The proposed amendment shall be submitted to the people at the 2006 general
1.14 election. The question submitted shall be:

1.15 "Shall the Minnesota Constitution be amended to state that every resident of
1.16 Minnesota has the right to health care and that it is the responsibility of the governor and
1.17 the legislature to implement all necessary legislation to ensure affordable health care?

1.18 Yes

1.19 No"

Sec. 3. ACTION BY THE LEGISLATURE AND GOVERNOR.

2.1 If the constitutional amendment proposed in section 1 is approved by the people at
2.2 the 2006 general election, the legislature and governor must enact legislation to implement
2.3 the constitutional amendment by July 1, ²⁰⁰⁹~~2008~~.

MINNESOTANS FOR AFFORDABLE HEALTH CARE

- The Minnesota Hospital Association
- The Minnesota AFL-CIO
- The Minnesota Nurses Association
- Children's Defense Fund Minnesota
- Education Minnesota
- The Minnesota Association of Social Workers
- The Minnesota Mental Health Association
- Walker Methodist Church
- Lakes & Plains Regional Council of Carpenters
- Communications Workers of America
- The Minnesota Public Health Association
- The Minnesotans For Affordable Health Care Work Group
- The American Federation of State County & Municipal Employees, Council 5
- The American Federation of TV & Radio Artists
- International Association of Machinists and Aerospace Workers
- Minnesota Association of Professional Employees
- Minnesota Building & Construction Trades Council
- Service Employees International Union
- United Steelworkers of America
- International Brotherhood of Teamsters
- United Food and Commercial Workers

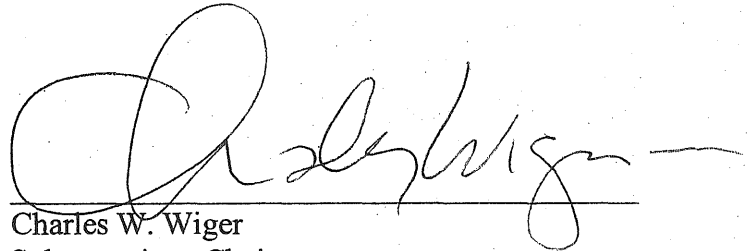
Subcommittee on Litigation Expenses

To: Senator Dean E. Johnson, Chair
Committee on Rules and Administration

Senator Wiger, Chair of the Subcommittee on Litigation Expenses, to which was referred the request of Senator Grace Schwab to pay litigation expenses incurred by her in defending against the claim by Mel Prinzing, commenced two weeks before the general election in 2002 (which she lost by five votes), that she had stolen or damaged letters that had been on lawn signs that he owned and was using to oppose a levy referendum in 2001, and that she had avoided prosecution for the theft because she was a state senator, reports the same back with the recommendation that the expenses be paid as follows:

To: Knaak & Kantrud, P.A., 3500 Willow Lake Blvd., Suite 800, Vadnais Heights, MN 55110
\$36,916.69

This sum must not be paid until the firm has provided to the Senate a duly executed release whereby the firm agrees to accept that sum in full and final payment of all claims by the firm against Senator Schwab for legal services and expenses related to the claim of Mel Prinzing, and Senator Schwab has assigned to the State of Minnesota at least \$36,916.69 of her \$150,000.00 judgment against Mr. Prinzing.



Charles W. Wiger
Subcommittee Chair

(date of subcommittee action)
December 1, 2005

**Senate Counsel, Research,
and Fiscal Analysis**

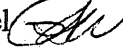
G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

November 29, 2005

To: Senator Charles W. Wiger, Chair
Subcommittee on Litigation Expenses

From: Peter S. Wattson, Senate Counsel 
651/296-3812

Subj: Claim of Senator Grace Schwab

You have asked what policy governs the payment of legal expenses incurred by Senator Grace Schwab in defending against the claim by Mel Prinzing, commenced two weeks before the general election in 2002 (which she lost by five votes), that she had stolen or damaged letters that had been on lawn signs that he owned and was using to oppose a levy referendum in 2001, and that she had avoided prosecution for the theft because she was a state senator.

I believe the governing policy would be paragraph 2.1 of Senate Policy 4.10, **Payment of Costs and Expenses of Legal Defense:**

The Senate Committee on Rules and Administration may authorize the Secretary of the Senate to pay reasonable legal fees and expenses incurred under the following circumstances by the individuals indicated.

* * *

2.1 The legal fees and expenses of a member or employee actually incurred to defend the member or employee in any civil matter based on conduct of the member or employee within the scope of Senate employment if the member or employee was (a) acting in good faith, (b) the matter is dismissed or the member or employee is not found liable, (c) the Committee determines that payment is in the best interest of the Senate, and (d) the legal fees incurred were not duplicative of the defense provided to the member or employee by the State of Minnesota pursuant to Minnesota Statutes, section 3.736.

Senator Schwab prevailed in the civil suit against her, and there was no defense provided by the Attorney General under § 3.736, so the remaining questions would be:

1. Whether the suit arose out of her conduct within the scope of her duties as a senator;
2. Whether she acted in good faith;
3. Whether the attorney's fees and expenses incurred are reasonable; and
4. Whether payment is in the best interest of the Senate.

A copy of Senate Policy 4.10 is enclosed.

PSW:ph
Enclosure

❖ Minnesota Senate — Policies (Administrative)

matter is dismissed or the member or employee is not found liable, (c) the Committee determines that payment is in the best interest of the Senate, and (d) the legal fees incurred were not duplicative of the defense provided to the member or employee by the State of Minnesota pursuant to Minnesota Statutes, section 3.736.

2.2 The legal fees and expenses of a member or employee actually incurred to defend the member or employee against any criminal allegation or charge based on the conduct of the member or employee within the scope of Senate employment if the member or employee was (a) acting in good faith, (b) the charges are dismissed or the member or employee is not found guilty of a crime, and (c) the Committee determines that payment is in the best interest of the Senate.

3 Payment

3.1 A request for reimbursement of attorney's fees and expenses must include a detailed billing statement that shows the nature and the number of hours of legal service provided each day and the nature of any expenses incurred.

3.2 The Committee on Rules and Administration may decline to pay all or any portion of a request that it determines to be unreasonable.

3.3 Payment will not be made unless the attorney who provided the legal services and incurred the expenses agrees to accept the amount paid by the Senate in full and final payment of all claims by the attorney against the Senate candidate, member or employee for the legal services and expenses.

Adopted by the Committee on Rules and Administration, December 11, 1996; amended June 17, 1997 and May 9, 2003.

❖ Minnesota Senate — Policies (Administrative)

4.10 Payment of Costs and Expenses of Legal Defense

The Senate Committee on Rules and Administration may authorize the Secretary of the Senate to pay reasonable legal fees and expenses incurred under the following circumstances by the individuals indicated.

1 Members and Candidates: Election Results

1.1 When the vote in an election to the Senate is automatically recounted under Minnesota Statutes, section 204C.35, subdivision 1, payment may be authorized for each candidate.

1.2 When the vote in an election to the Senate is recounted because of a request for an optional recount under Minnesota Statutes, section 204C.35, subdivision 2, payment may be authorized for: (a) a candidate who is responding to a recount requested by another candidate, and (b) a candidate who requests a recount and prevails.

1.3 When an election to the Senate is contested in a judicial proceeding under Minnesota Statutes, chapter 209, on the ground that deliberate, serious, and material violations of state election laws occurred, payment may be authorized for a candidate whose election was contested if the matter was dismissed or resulted in a favorable judicial decision. Payment may be authorized for a candidate who initiated an election contest that was dismissed or resulted in an unfavorable judicial decision if the contest was initiated in good faith and raised an important question of election law.

1.4 When an election to the Senate is contested in a judicial proceeding under Minnesota Statutes, chapter 209, on grounds other than the grounds specified in Item 3 above, payment may be authorized for: (a) a candidate who is responding as a contestee in the judicial proceedings, and (b) a candidate who is a contestor and prevails in the judicial proceeding by virtue of a decision either that the election was invalid or that the contestee did not receive the largest number of votes legally cast.

1.5 When a county attorney conducts an investigation of alleged unfair campaign practices under Minnesota Statutes, section 211B.16, payment may be authorized for a candidate who is subject to the investigation if the county attorney decides not to proceed with an indictment, charge, or complaint on the matter, or if the grand jury returns no indictment.

1.6 When the placement or printing on an official ballot of the name or description of a candidate for the Senate is challenged under Minnesota Statutes, section 204B.44, payment may be authorized for a candidate who prevailed in the challenge.

2 Members and Staff

2.1 The legal fees and expenses of a member or employee actually incurred to defend the member or employee in any civil matter based on conduct of the member or employee within the scope of Senate employment if the member or employee was (a) acting in good faith, (b) the

December 1, 2005

2002 Schwab Election Expenses

Firm	Individual	Hours	Rate Requested	Amount Requested	Rate Approved	Amount Approved
Knaak & Kantrud, P.A. 3500 Willow Lake Blvd., Suite 800 Vadnais Heights, MN 55110	Frederic W. Knaak	162.00	\$175	\$28,350.00	\$150	\$24,300.00
	H. Alan Kantrud	5.50	\$165	\$907.50	\$150	\$825.00
	Greg	102.50	\$100	\$10,250.00	\$100	\$10,250.00
	Expenses			<u>\$1,541.69</u>		<u>\$1,541.69</u>
	Total			\$41,049.19		\$36,916.69