

X

1.1 Senator moves to amend the Aids and Credits Article to S.F. No.
1.2 as follows:

1.3 Page 8, after line 4, insert:

1.4 "Sec. 9. **COUNTY REFERENDUM COST REIMBURSEMENT;**
1.5 **APPROPRIATION.**

1.6 If one or more bills are enacted during the 2006 session of the legislature that
1.7 provides for a referendum in 2006 on a proposed constitutional amendment, \$122,000 is
1.8 appropriated from the general fund to the commissioner of revenue to be distributed to
1.9 the counties in proportion to each county's share of the state's registered voters. This is a
1.10 onetime payment, to be paid on July 20, 2006, to compensate the counties for the cost of
1.11 preparing ballots for the constitutional amendment or amendments.

1.12 Sec. 10. **LOCAL TRUNK HIGHWAY IMPROVEMENTS; APPROPRIATION.**

1.13 \$5,000,000 is appropriated from the general fund to the commissioner of
1.14 transportation to be distributed, \$2,500,000 to the City of Nisswa and \$2,500,000 to the
1.15 City of Pequot Lakes, to be used to pay the local share of trunk highway improvement
1.16 projects. The advisory committee established under Minnesota Statutes, section 174.52,
1.17 shall provide recommendations to the cities on the most efficient use of the funds
1.18 provided."

1.19 Amend the title accordingly

A

1.1 Senator moves to amend S. F. No. 3257 as follows:

1.2 Page 10, delete section 8 and insert:

1.3 "Sec. 8. Minnesota Statutes 2004, section 477A.014, subdivision 1, is amended to
1.4 read:

1.5 Subdivision 1. **Calculations and payments.** (a) The commissioner of revenue
1.6 shall make all necessary calculations and make payments pursuant to sections 477A.013,
1.7 477A.0132, and 477A.03 directly to the affected taxing authorities annually. In addition,
1.8 the commissioner shall notify the authorities of their aid amounts, as well as the
1.9 computational factors used in making the calculations for their authority, and those
1.10 statewide total figures that are pertinent, before August 1 of the year preceding the aid
1.11 distribution year.

1.12 (b) For the purposes of this subdivision, aid is determined for a city or town based
1.13 on its city or town status as of June 30 of the year preceding the aid distribution year. If
1.14 the effective date for a municipal incorporation, consolidation, annexation, detachment,
1.15 dissolution, or township organization is on or before June 30 of the year preceding
1.16 the aid distribution year, such change in boundaries or form of government shall be
1.17 recognized for aid determinations for the aid distribution year. If the effective date for a
1.18 municipal incorporation, consolidation, annexation, detachment, dissolution, or township
1.19 organization is after June 30 of the year preceding the aid distribution year, such change in
1.20 boundaries or form of government shall not be recognized for aid determinations until
1.21 the following year.

1.22 (c) Changes in boundaries or form of government will only be recognized for the
1.23 purposes of this subdivision, to the extent that: (1) changes in market values are included
1.24 in market values reported by assessors to the commissioner, and changes in population,
1.25 household size, and the road accidents factor are included in their respective certifications
1.26 to the commissioner as referenced in section 477A.011, or (2) an annexation information
1.27 report as provided in paragraph (d) is received by the commissioner on or before July 15
1.28 of the aid calculation year. Revisions to estimates or data for use in recognizing changes
1.29 in boundaries or form of government are not effective for purposes of this subdivision
1.30 unless received by the commissioner on or before July 15 of the aid calculation year.
1.31 Clerical errors in the certification or use of estimates and data established as of July 15 in
1.32 the aid calculation year are subject to correction within the time periods allowed under
1.33 subdivision 3.

1.34 (d) In the case of an annexation, an annexation information report may be completed
1.35 by the annexing jurisdiction and submitted to the commissioner for purposes of this
1.36 subdivision if the net tax capacity of annexed area for the assessment year preceding the

2.1 effective date of the annexation exceeds five percent of the city's net tax capacity for the
 2.2 same year. The form and contents of the annexation information report shall be prescribed
 2.3 by the commissioner. The commissioner shall change the net tax capacity, the population,
 2.4 the population decline, the commercial industrial percentage, and the transformed
 2.5 population for the annexing jurisdiction only if the annexation information report provides
 2.6 data the commissioner determines to be reliable for all of these factors used to compute city
 2.7 revenue need for the annexing jurisdiction. The commissioner shall adjust the pre-1940
 2.8 housing percentage, the road accidents factor, and household size only if the entire area of
 2.9 an existing city or town is annexed or consolidated and only if reliable data is available for
 2.10 all of these factors used to compute city revenue need for the annexing jurisdiction.

2.11 **EFFECTIVE DATE.** This section is effective for aid payable in 2007 and
 2.12 thereafter."

2.13 Page 11, lines 12 to 19, reinstate the stricken language

2.14 Page 11, lines 20, 22, and 24, reinstate the stricken language and delete the new
 2.15 language

2.16 Page 13, lines 18, 22, 25, and 28, reinstate the stricken language and delete the
 2.17 new language

2.18 Page 19, delete section 15

2.19 Pages 20 to 24, delete sections 17 to 19

2.20 Page 26, delete section 22

2.21 Page 29, line 14, delete "(f)" and insert "(g)"

2.22 Page 29, after line 20, insert:

2.23 "Sec. 20. Minnesota Statutes 2004, section 297A.70, subdivision 3, is amended to
 2.24 read:

2.25 Subd. 3. **Sales of certain goods and services to government.** (a) The following
 2.26 sales to or use by the specified governments and political subdivisions of the state are
 2.27 exempt:

2.28 (1) repair and replacement parts for emergency rescue vehicles, fire trucks, and
 2.29 fire apparatus to a political subdivision;

2.30 (2) machinery and equipment, except for motor vehicles, used directly for mixed
 2.31 municipal solid waste management services at a solid waste disposal facility as defined in
 2.32 section 115A.03, subdivision 10;

2.33 (3) chore and homemaking services to a political subdivision of the state to be
 2.34 provided to elderly or disabled individuals;

3.1 (4) telephone services to the Department of Administration that are used to provide
3.2 telecommunications services through the intertechnologies revolving fund;

3.3 (5) firefighter personal protective equipment as defined in paragraph (b), if purchased
3.4 or authorized by and for the use of an organized fire department, fire protection district, or
3.5 fire company regularly charged with the responsibility of providing fire protection to the
3.6 state or a political subdivision;

3.7 (6) bullet-resistant body armor that provides the wearer with ballistic and trauma
3.8 protection, if purchased by a law enforcement agency of the state or a political subdivision
3.9 of the state, or a licensed peace officer, as defined in section 626.84, subdivision 1;

3.10 (7) motor vehicles purchased or leased by political subdivisions of the state if the
3.11 vehicles are exempt from registration under section 168.012, subdivision 1, paragraph (b),
3.12 exempt from taxation under section 473.448, or exempt from the motor vehicle sales tax
3.13 under section 297B.03, clause (12);

3.14 (8) equipment designed to process, dewater, and recycle biosolids for wastewater
3.15 treatment facilities of political subdivisions, and materials incidental to installation of
3.16 that equipment; ~~and~~

3.17 (9) sales to a town of gravel and of machinery, equipment, and accessories, except
3.18 motor vehicles, used exclusively for road and bridge maintenance, and leases by a town of
3.19 motor vehicles exempt from tax under section 297B.03, clause (10); and

3.20 (10) the removal of trees, bushes, or shrubs for the construction and maintenance
3.21 of roads, trails, or firebreaks when purchased by an agency of the state or a political
3.22 subdivision of the state.

3.23 (b) For purposes of this subdivision, "firefighters personal protective equipment"
3.24 means helmets, including face shields, chin straps, and neck liners; bunker coats and
3.25 pants, including pant suspenders; boots; gloves; head covers or hoods; wildfire jackets;
3.26 protective coveralls; goggles; self-contained breathing apparatus; canister filter masks;
3.27 personal alert safety systems; spanner belts; optical or thermal imaging search devices;
3.28 and all safety equipment required by the Occupational Safety and Health Administration.

3.29 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
3.30 October 28, 2002, but for sales and purchases made after October 28, 2002, and before
3.31 July 15, 2005, no refunds may be claimed under Minnesota Statutes, section 289A.50, for
3.32 sales taxes collected and remitted to the state."

3.33 Page 30, line 10, delete "(f)" and insert "(g)"

3.34 Page 31, line 14, delete "(f)" and insert "(g)"

3.35 Page 37, delete section 35

4.1 Page 39, after line 1, insert:

4.2 "Sec. 32. Laws 2005, First Special Session chapter 3, article 5, section 3, the
4.3 effective date, is amended to read:

4.4 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
4.5 October 28, 2002, but for land clearing contracts entered into after October 28, 2002,
4.6 but before July 15, 2005, no refunds may be claimed under Minnesota Statutes, section
4.7 289A.50, for sales taxes collected and remitted to the state on the land clearing contracts.

4.8 **EFFECTIVE DATE.** This section is effective the day following final enactment."

4.9 Page 43, delete article 4

4.10 Renumber the sections in sequence and correct internal references

4.11 Correct the title numbers accordingly

A

- 1.1 Senator moves to amend the Sales and Use Tax Article as follows:
- 1.2 Page 7, delete lines 30 to 33 and insert:"
- 1.3 (6) a limited partnership in which either:
- 1.4 (i) the sole general partner is an entity under clause (4); or
- 1.5 (ii) the managing partner is an entity under clause (4) and makes the following
- 1.6 disclosures in writing to an entity under clause (1) or (2):
- 1.7 (A) the names of all members of the partnership;
- 1.8 (B) the address for service of process of each member of the partnership; and
- 1.9 (C) the financing plan for the low-income housing project."

A

1.1 Senator moves to amend the Income Article to S.F. No. as follows:

1.2 Page 2, line 21, delete "Refunds" and insert "Credits and refunds" and reinstate the
3 stricken "A taxpayer" and delete "An employer"

1.4 Page 2, lines 22 to 32, reinstate the stricken language and delete the new language

1.5 Page 2, after line 34, insert:

1.6 "(b) An employer that is exempt from taxation under section 290.05, but excluding
1.7 entities enumerated in section 290.05, subdivision 1, clause (b), may claim a refund equal
1.8 to 30 percent of an expense incurred by the employer to provide transit passes to the
1.9 employer's employees for use in Minnesota."

1.10 Page 3, line 1, delete "(d)" and insert "(c)"

1.11 Page 3, line 5, delete "(e)" and insert "(d)"

X

1.1 Senator moves to amend the Miscellaneous Article to S.F. No.

1.2 as follows:

1.3 Page 11, delete section 15, and insert:

1.4 "Sec. 15. [297F.012] FIRE SAFETY ACCOUNT.

1.5 Subdivision 1. Authorized programs within department. From the revenues
1.6 appropriated under subdivision 2, the commissioner of public safety shall expend funds
1.7 for the activities and programs identified by the advisory committee established under
1.8 subdivision 4 and recommended to the commissioner of public safety. These funds are to
1.9 be used to provide resources needed for identified activities and programs of the Minnesota
1.10 fire service and to ensure the State Fire Marshal Division responsibilities are fulfilled.

1.11 Subd. 2. Fire service advisory committee. The Fire Service Advisory Committee
1.12 shall provide recommendations to the commissioner of public safety on fire service related
1.13 issues and shall consist of representatives of each of the following organizations: two
1.14 appointed by the president of the Minnesota State Fire Chiefs Association, two appointed
1.15 by the president of the Minnesota State Fire Department Association, two appointed by
1.16 the president of the Minnesota Professional Fire Fighters, two appointed by the president
1.17 of the League of Minnesota Cities, one appointed by the president of the Minnesota
1.18 Association of Townships, one appointed by the president of the Insurance Federation
1.19 of Minnesota, one appointed jointly by the presidents of the Minnesota Chapter of the
1.20 International Association of Arson Investigators and the Fire Marshals Association of
1.21 Minnesota, and the commissioner of public safety or the commissioner's designee. The
1.22 commissioner of public safety must ensure that at least three of the members of the
1.23 advisory committee work and reside in counties outside of the seven-county metropolitan
1.24 area. The committee shall provide funding recommendations to the commissioner of
1.25 public safety from the fire safety fund for the following purposes:

- 1.26 (1) for the Minnesota Board of Firefighter Training and Education;
- 1.27 (2) for programs and staffing for the State Fire Marshal Division; and
- 1.28 (3) for fire-related regional response team programs and any other fire service
- 1.29 programs that have the potential for statewide impact.

1.30 Subd. 3. Report; accounting; carryover. The commissioner of public safety shall,
1.31 by December 1 of each year, (1) provide an accounting of how the funds in the fire safety
1.32 account were spent in the preceding fiscal year and (2) report any funds not spent in a
1.33 fiscal year to the chairs of the committees of the house of representatives and the senate
1.34 having jurisdiction over public safety finance. Money in the account does not cancel but
1.35 remains available for expenditures for the programs identified in subdivisions 3 and 4.

2.1 EFFECTIVE DATE. This section is effective July 1, 2007, and applies to policies
2.2 written or renewed on or after that date.

2.3 **Sec. 16. [297I.06] FIRE SAFETY ACCOUNT.**

2.4 Subdivision 1. Insurance policies surcharge. (a) Except as otherwise provided
2.5 in subdivision 6, each insurer engaged in writing policies of homeowners insurance
2.6 authorized in section 60A.06, subdivision 1, clause (1)(c), or commercial fire policies
2.7 shall collect a surcharge equal to .75 percent of the gross premiums and assessments, less
2.8 return premiums, on direct business received by the company, or by its agents for it, for
2.9 homeowner's insurance policies and commercial fire insurance policies in this state. The
2.10 definitions under section 297I.01 apply for purposes of this section.

2.11 (b) The surcharge amount collected under paragraph (a) may not be considered
2.12 premium for any purpose, including the computation of premium tax or agents'
2.13 commissions. The surcharge amount must be separately stated on either a billing or policy
2.14 declaration sent to an insured. Insurers shall remit the revenue derived from this section
2.15 at least quarterly to the Department of Revenue for deposit in the fire safety account
2.16 established pursuant to subdivision 2.

2.17 Subd. 2. Exemptions. (a) This section does not apply to a farmers' mutual fire
2.18 insurance company or township mutual fire insurance company in Minnesota organized
2.19 under chapter 67A.

2.20 (b) An insurer described in section 297I.05, subdivisions 3 and 4, authorized to
2.21 transact business in Minnesota shall elect to remit to the Department of Revenue for
2.22 deposit in the fire safety account either (1) the surcharge amount collected under this
2.23 section or (2) a tax of one-half of one percent on the gross fire premiums and assessments,
2.24 less return premiums, on all direct business received by the insurer during the year.

2.25 (c) For purposes of this subdivision, "gross fire premiums and assessments" includes
2.26 premiums on policies covering fire risks only on automobiles, whether written under
2.27 floater form or otherwise.

2.28 Subd. 3. Fire safety account, annual transfers, allocation. A special account, to
2.29 be known as the fire safety account, is created in the state treasury. The account consists of
2.30 the proceeds under subdivision 1. \$250,000 of the revenue in the account each year is
2.31 appropriated to the Department of Revenue to offset the cost of collecting and transferring
2.32 the funds. Revenue in excess of \$250,000 is appropriated to the Department of Public
2.33 Safety and must be used for the activities and programs identified by the commissioner of
2.34 the Department of Public Safety as essential fire service programs within Minnesota.

3.1 **EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to policies
 3.2 written or renewed on or after that date.

3.3 Sec. 17. Minnesota Statutes 2004, section 297I.30, is amended by adding a subdivision
 3.4 to read:

3.5 Subd. 8. **Fire insurance surcharge.** On or before May 15, August 15, November
 3.6 15, and February 15 of each year, every insurer required to pay the surcharge under
 3.7 section 297I.06, subdivision 1, shall file a return with the commissioner for the preceding
 3.8 three-month period ending March 31, June 30, September 30, and December 31, setting
 3.9 forth any information the commissioner reasonably requires on forms prescribed by the
 3.10 commissioner.

3.11 **EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to policies
 3.1 written or renewed on or after that date."

3.13 Page 16, after line 27, insert:

3.14 "**EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to policies
 3.15 written or renewed on or after that date."

3.16 Page 16, delete section 25

3.17 Renumber the sections in sequence and correct the internal references

3.18 Amend the title accordingly

K

1.1 Senator moves to amend S.F. No. XXXX as follows:

1.2 Page ..., after line ..., insert:

1.3 "Sec. Minnesota Statutes 2005 Supplement, section 270C.722, subdivision 2,
1.4 is amended to read:

1.5 Subd. 2. **New permits after revocation.** (a) The commissioner shall not issue a
1.6 new permit after revocation or reinstate a revoked permit unless the taxpayer applies for a
1.7 permit and provides reasonable evidence of intention to comply with the sales and use
1.8 tax laws and rules. The commissioner may require the applicant to provide security, in
1.9 addition to that authorized by section 297A.92, in an amount reasonably necessary to
1.10 ensure compliance with the sales and use tax laws and rules. If the commissioner issues
1.11 or reinstates a permit not in conformance with the requirements of this subdivision or
1.12 applicable rules, the commissioner may cancel the permit upon notice to the permit holder.
1.13 The notice must be served by first class and certified mail at the permit holder's last known
1.14 address. The cancellation shall be effective immediately, subject to the right of the permit
1.15 holder to show that the permit was issued in conformance with the requirements of this
1.16 subdivision and applicable rules. Upon such showing, the permit must be reissued.

1.17 (b) If a taxpayer has had a permit or permits revoked three times in a five-year
1.18 period, the commissioner ~~shall not~~ may refuse to issue a new permit or reinstate the
1.19 revoked permit until 24 months have elapsed after revocation and the taxpayer has
1.20 satisfied the conditions for reinstatement of a revoked permit or issuance of a new permit
1.21 imposed by this section and rules adopted under this section.

1.22 (c) For purposes of this subdivision, "taxpayer" means:

1.23 (1) an individual, if a revoked permit was issued to or in the name of an individual,
1.24 or a corporation or partnership, if a revoked permit was issued to or in the name of a
1.25 corporation or partnership; and

1.26 (2) an officer of a corporation, a member of a partnership, or an individual who is
1.27 liable for delinquent sales taxes, either for the entity for which the new or reinstated
1.28 permit is at issue, or for another entity for which a permit was previously revoked, or
1.29 personally as a permit holder."

1.30 Renumber the sections in sequence and correct the internal references

1.31 Amend the title accordingly

A amended

1.1 Senator moves to amend the Sales and Use Article to S.F. No.
1.2 as follows:

1.3 Page 10, delete sections 12 and 13, and insert:

1.4 "Sec. 12. Laws 1996, chapter 471, article 2, section 29, is amended to read:

1.5 Sec. 29. [CITY OF HERMANTOWN; SALES TAX.] CITY OF
1.6 **HERMANTOWN; SALES AND USE TAX.**

1.7 Subdivision 1. **Sales and use tax authorized.** (a) Notwithstanding Minnesota
1.8 Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city
1.9 charter, the city of Hermantown may, by ordinance, impose an additional sales and use tax
1.10 of up to one percent on sales transactions, storage, and use taxable pursuant to Minnesota
1.11 Statutes, chapter 297A, that occur within the city.

1.12 (b) The proceeds of the first one-half of the one percent tax imposed under this
1.13 section must be used to meet the costs of by the city for the following projects:

- 1.14 (1) extending a sewer interceptor line;
- 1.15 (2) construction of a booster pump station, reservoirs, and related improvements
- 1.16 to the water system; and
- 1.17 (3) construction of a building containing a police and fire station and an
- 1.18 administrative services facility.

1.19 (c) Revenues received from the remaining one-half of the one percent tax
1.20 authorized under this section must be used by the city to pay all or part of the capital and
1.21 administrative costs of developing, acquiring, constructing, and initially furnishing and
1.22 equipping the following projects:

- 1.23 ~~(1) construction of a city hall to be connected to the existing public safety facility;~~
- 1.24 (2) construction of a new facility or purchase of an existing facility to be used as
- 1.25 a public works facility;
- 1.26 (3) construction, signalization, and rehabilitation of primary collector roads and
- 1.27 commercial frontage roads, within the city; and
- 1.28 (4) extension of a regional trunk sewer.

1.29 (d) Authorized expenses include, but are not limited to, acquiring property; paying
1.30 construction, administrative, and operating expenses related to the development of the
1.31 projects listed in paragraph (c); paying debt service on bonds or other obligations,
1.32 including lease obligations, issued to finance construction, expansion, or improvement of
1.33 the projects listed in paragraph (c); and other compatible uses, including but not limited to,
1.34 parking, lighting, and landscaping.

1.35 Subd. 2. **Referendum.** (a) If the Hermantown city council proposes to impose the
1.36 sales tax authorized by this section, it shall conduct a referendum on the issue.

delete

2.1 (b) If the Hermantown city council initially imposes the tax at a rate that is less than
2.2 one percent and proposes increasing the tax rate at a later date up to the full one percent, it
2.3 shall conduct a referendum on the increase of the tax rate.

2.4 (c) The question of imposing or increasing the tax must be submitted to the voters at
2.5 a special or general election. The tax may not be imposed unless a majority of votes cast
2.6 on the question of imposing the tax are in the affirmative. The commissioner of revenue
2.7 shall prepare a suggested form of question to be presented at the election. This subdivision
2.8 applies notwithstanding any city charter provision to the contrary.

2.9 **Subd. 3. Enforcement; collection; and administration of taxes.** A sales tax
2.10 imposed under this section must be reported and paid to the commissioner of revenue
2.11 with the state sales taxes, and be subject to the same penalties, interest, and enforcement
2.12 provisions. The proceeds of the tax, less refunds and a proportionate share of the cost of
2.13 collection, shall be remitted at least quarterly to the city. The commissioner shall deduct
2.14 from the proceeds remitted an amount that equals the indirect statewide cost as well as the
2.15 direct and indirect department costs necessary to administer, audit, and collect the tax.
2.16 The amount deducted shall be deposited in the state general fund.

2.17 Subd. 3a. Bonding authority. (a) The city may issue general obligation bonds
2.18 under Minnesota Statutes, chapter 475, to finance the costs in subdivision 1, paragraph (c).
2.19 The total amount of bonds issued for the projects under subdivision 1, paragraph (c), may
2.20 not exceed \$13,000,000 in the aggregate. An election to approve the bonds is not required.

2.21 (b) The bonds are not included in computing any debt limitation applicable to the
2.22 city, and the levy of taxes under Minnesota Statutes, section 475.61, to pay principal of
2.23 and interest on the bonds is not subject to any levy limitation.

2.24 (c) The taxes authorized under this section may be pledged to and used for the
2.25 payment of the bonds and any bonds issued to refund them.

2.26 **Subd. 4. Termination.** ~~The portion of the tax authorized under this section to~~
2.27 ~~finance the improvements described in subdivision 1, paragraph (b), terminates at the later~~
2.28 ~~of (1) ten years after the date of initial imposition of the tax, or (2) on the first day of the~~
2.29 ~~second month next succeeding a determination by the city council that sufficient funds~~
2.30 ~~have been received from the tax to finance the improvements described in subdivision 1,~~
2.31 ~~clauses (1) to (3), and to prepay or retire at maturity the principal, interest, and premium~~
2.32 ~~due on any bonds issued for the improvements on March 31, 2026. The portion of the~~
2.33 ~~tax authorized to finance the improvements described in subdivision 1, paragraph (c),~~
2.34 ~~terminates when the revenues raised are sufficient to finance those improvements, up to an~~
2.35 ~~amount equal to \$13,000,000 plus any interest, premium, and other costs associated with~~

3.1 the bonds issued under subdivision 3a. The city council may terminate this portion of the
3.2 tax earlier. Any funds remaining after completion of the improvements and retirement or
3.3 redemption of the bonds may be placed in the general fund of the city.

3.4 ~~Subd. 5. Local approval, effective date. This section is effective the day after final~~
3.5 ~~enactment, upon compliance with Minnesota Statutes, section 645.021, subdivision 3, by~~
3.6 ~~the city of Hermantown.~~

3.7 EFFECTIVE DATE. This section is effective the day after the governing body of
3.8 the city of Hermantown and its chief clerical officer comply with Minnesota Statutes,
3.9 section 645.021, subdivisions 2 and 3."

3.10 Renumber the sections in sequence and correct the internal references

3.11 Amend the title accordingly

A

1.1 Senator moves to amend the Public Finance Article as follows:

1.2 Page ..., after line ..., insert:

1.3 "Sec. **CITY OF WINSTED; BONDING AUTHORITY.**

1.4 (a) The city of Winsted may issue general obligation bonds under Minnesota
1.5 Statutes, chapter 475, to finance the acquisition and betterment of a public works facility
1.6 and a facility consisting of a city hall, community center and police station, including
1.7 landscaping.

1.8 (b) The bonds may be issued as general obligations of the city without an election to
1.9 approve the bonds under Minnesota Statutes, section 475.58.

1.10 (c) The bonds are not included in computing any debt limitation applicable to the
1.11 city, including the net debt limits under Minnesota Statutes, section 475.53, and the levy
1.12 of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the
1.13 bonds is not subject to any levy limitation.

1.14 (d) The aggregate principal amount of bonds used to pay costs of the acquisition and
1.15 betterment of the public works facility and the facility consisting of a city hall, community
1.16 center and police station, including landscaping, may not exceed \$5,000,000, plus an
1.17 amount equal to the costs related to issuance of the bonds and capitalized interest.

1.18 **EFFECTIVE DATE.** This section is effective upon compliance by the governing
1.19 body of the city of Winsted with Minnesota Statutes, section 645.021, subdivision 3."

1.20 Renumber the sections in sequence and correct the internal references

1.21 Amend the title accordingly

A

- 1.1 Senator moves to amend the Property Tax Article as follows:
- 1.2 Page 2, line 30, delete everything after "\$5,000"
- 1.3 Page 2, line 31, delete "and later"
- 1.4 Page 3, line 20, after the second comma, insert "and" and delete "years 2008 and
- 1.5 2009, and" and insert "year 2008"
- 1.6 Page 3, line 21, delete the new language
- 1.7 Page 21, delete section 26
- 1.8 Renumber the sections in sequence and correct the internal references
- 1.9 Amend the title accordingly

1.1 Senator moves to amend the Miscellaneous Article to S.F. No.
1.2 as follows:

1.3 Page 16, after line 25, insert:

1.4 "Sec. 24. TRANSFER OF MONEY.

1.5 Any money in the tax relief account under Minnesota Statutes, section 16A.1522,
1.6 subdivision 4, on the day following final enactment of this act is transferred to the general
1.7 fund."

1.8 Renumber the sections in sequence and correct the internal references

1.9 Amend the title accordingly

A

1.1 Senator moves to amend the Local Development Article to S.F. No.

1.2 as follows:

1.3 Page 6, after line 15, insert:

1.4 "Sec. 11. Minnesota Statutes 2004, section 469.312, subdivision 5, is amended to
1.5 read:

1.6 Subd. 5. **Duration limit.** (a) The maximum duration of a zone is 12 years. The
1.7 applicant may request a shorter duration. The commissioner may specify a shorter
1.8 duration, regardless of the requested duration.

1.9 (b) The duration limit under this subdivision and the duration of the zone for
1.10 purposes of allowance of tax incentives described in section 469.315 is extended by three
1.11 calendar years for each parcel of property that meets the following requirements:

1.12 (1) the qualified business operates an ethanol plant, as defined in section 41A.09, on
1.13 the site that includes the parcel; and

1.14 (2) the business subsidy agreement was executed after April 30, 2006.

1.15 **EFFECTIVE DATE.** This section is effective the day following final enactment."

1.16 Renumber the sections in sequence and correct the internal references

1.17 Amend the title accordingly

As amended
removed
04/10/06

1.1 Senator moves to amend S.F. No. as follows:

1.2 Page ..., after line ..., insert:

1.3 "Sec. Minnesota Statutes 2004, section 273.12, is amended to read:

1.4 **273.12 ASSESSMENT OF REAL PROPERTY.**

1.5 It shall be the duty of every assessor and board, in estimating and determining
1.6 the value of lands for the purpose of taxation, to consider and give due weight to every
1.7 element and factor affecting the market value thereof, including its location with reference
1.8 to roads and streets and the location of roads and streets thereon or over the same, and to
1.9 take into consideration a reduction in the acreage of each tract or lot sufficient to cover
1.10 the amount of land actually used for any improved public highway and the reduction in
1.11 area of land caused thereby. It shall be the duty of every assessor and board, in estimating
1.12 and determining the value of lands for the purpose of taxation, to consider and give due
1.13 weight to lands which are comparable in character, quality, and location, to the end that all
1.14 lands similarly located and improved will be assessed upon a uniform basis and without
1.15 discrimination and, for agricultural lands, to consider and give recognition to its earning
1.16 potential as measured by its free market rental rate.

1.17 When mineral, clay, or gravel deposits exist on a property, and their extent, quality,
1.18 and costs of extraction are sufficiently well known so as to influence market value, such
1.19 deposits shall be recognized in valuing the property; except for mineral, metal, and
1.20 energy-resource deposits the mining of which are is subject to taxation under section
1.21 298.015, and except for taconite and iron-sulphide deposits which are either exempt from
1.22 the general property tax under section 298.25 or taxed under section 298.26.

1.23 **EFFECTIVE DATE.** This section is effective for taxes payable in 2007 and
1.24 thereafter."

1.25 Page .., after line ..., insert:

1.26 "Sec. Minnesota Statutes 2004, section 289A.01, is amended to read:

1.27 **289A.01 APPLICATION OF CHAPTER.**

1.28 This chapter applies to laws administered by the commissioner under chapters 290,
1.29 290A, 291, and 297A, and ~~sections~~ section 298.01 ~~and 298.015.~~

1.30 **EFFECTIVE DATE.** This section is effective for tax years beginning after
1.31 December 31, 2005."

1.32 Page .., after line ..., insert:

1.33 "Sec. Minnesota Statutes 2004, section 289A.02, subdivision 6, is amended to
1.34 read:

2.1 Subd. 6. **Mining company.** "Mining company" means a person engaged in the
 2.2 business of mining or producing ores in Minnesota subject to the taxes imposed by section
 2.3 298.01 ~~or 298.015~~.

2.4 **EFFECTIVE DATE.** This section is effective for tax years beginning after
 2.5 December 31, 2005."

2.6 Page .., after line ..., insert:

2.7 "Sec. Minnesota Statutes 2004, section 298.001, is amended by adding a
 2.8 subdivision to read:

2.9 Subd. 3a. **Producer.** "Producer" means a person engaged in the business of mining
 2.10 or producing iron ore, taconite concentrate, or direct reduced ore in this state.

2.11 **EFFECTIVE DATE.** This section is effective for tax years beginning after
 2.12 December 31, 2005."

2.13 Page .., after line ..., insert:

2.14 "Sec. Minnesota Statutes 2005 Supplement, section 298.01, subdivision 3, is
 2.15 amended to read:

2.16 Subd. 3. **Occupation tax; other ores.** Every person engaged in the business of
 2.17 mining or producing ores in this state, except iron ore or taconite concentrates, shall pay
 2.18 an occupation tax to the state of Minnesota as provided in this subdivision. The tax is
 2.19 determined in the same manner as the tax imposed by section 290.02, except that sections
 2.20 290.05, subdivision 1, clause (a), 290.17, subdivision 4, and 290.191, subdivision 2, do
 2.21 not apply, and the occupation tax must be computed by applying to taxable income the
 2.22 rate of 2.45 percent. A person subject to occupation tax under this section shall apportion
 2.23 its net income on the basis of the percentage obtained by taking the sum of:

2.24 (1) 75 percent of the percentage which the sales made within this state in connection
 2.25 with the trade or business during the tax period are of the total sales wherever made in
 2.26 connection with the trade or business during the tax period;

2.27 (2) 12.5 percent of the percentage which the total tangible property used by the
 2.28 taxpayer in this state in connection with the trade or business during the tax period is of
 2.29 the total tangible property, wherever located, used by the taxpayer in connection with the
 2.30 trade or business during the tax period; and

2.31 (3) 12.5 percent of the percentage which the taxpayer's total payrolls paid or
 2.32 incurred in this state or paid in respect to labor performed in this state in connection with
 2.33 the trade or business during the tax period are of the taxpayer's total payrolls paid or
 2.34 incurred in connection with the trade or business during the tax period.

2.35 The tax is in addition to all other taxes.

3.1 **EFFECTIVE DATE.** This section is effective for tax years beginning after
3.2 December 31, 2005.

3.3 Sec. Minnesota Statutes 2004, section 298.01, subdivision 3a, is amended to read:

3.4 Subd. 3a. **Gross income.** (a) For purposes of determining a person's taxable income
3.5 under subdivision 3, gross income is determined by the amount of gross proceeds from
3.6 mining in this state under section 298.016 and includes any gain or loss recognized from
3.7 the sale or disposition of assets used in the business in this state. If more than one mineral,
3.8 metal, or energy resource referred to in section 298.016 is mined and processed at the
3.9 same mine and plant, a gross income for each mineral, metal, or energy resource must be
3.10 determined separately. The gross incomes may be combined on one occupation tax return
3.11 to arrive at the gross income of all production.

3.12 (b) In applying section 290.191, subdivision 5, transfers of ores are deemed to be
3.13 sales outside in this state ~~if the ores are transported out of this state after the ores have~~
3.14 ~~been converted to a marketable quality.~~

3.15 **EFFECTIVE DATE.** This section is effective for tax years beginning after
3.16 December 31, 2005.

3.17 Sec. Minnesota Statutes 2004, section 298.01, subdivision 3b, is amended to read:

3.18 Subd. 3b. **Deductions.** (a) For purposes of determining taxable income under
3.19 subdivision 3, the deductions from gross income include only those expenses necessary
3.20 to convert raw ores to marketable quality. Such expenses include costs associated with
3.21 refinement but do not include expenses such as transportation, stockpiling, marketing, or
3.22 marine insurance that are incurred after marketable ores are produced, unless the expenses
3.23 are included in gross income. The allowable deductions from a mine or plant that mines
3.24 and produces more than one mineral, metal, or energy resource must be determined
3.25 separately for the purposes of computing the deduction in section 290.01, subdivision 19c,
3.26 clause (9). These deductions may be combined on one occupation tax return to arrive at
3.27 the deduction from gross income for all production.

3.28 (b) The provisions of section 290.01, subdivisions 19c, clauses (6) and (9), and 19d,
3.29 clauses (7) and (11), are not used to determine taxable income.

3.30 **EFFECTIVE DATE.** This section is effective for tax years beginning after
3.31 December 31, 2005.

3.32 Sec. Minnesota Statutes 2005 Supplement, section 298.01, subdivision 4, is
3.33 amended to read:

4.1 Subd. 4. **Occupation tax; iron ore; taconite concentrates.** A person engaged in
 4.2 the business of mining or producing of iron ore, taconite concentrates or direct reduced ore
 4.3 in this state shall pay an occupation tax to the state of Minnesota. The tax is determined
 4.4 in the same manner as the tax imposed by section 290.02, except that sections 290.05,
 4.5 subdivision 1, clause (a), 290.17, subdivision 4, and 290.191, subdivision 2, do not apply,
 4.6 and the occupation tax shall be computed by applying to taxable income the rate of 2.45
 4.7 percent. A person subject to occupation tax under this section shall apportion its net
 4.8 income on the basis of the percentage obtained by taking the sum of:

4.9 (1) 75 percent of the percentage which the sales made within this state in connection
 4.10 with the trade or business during the tax period are of the total sales wherever made in
 4.11 connection with the trade or business during the tax period;

4.12 (2) 12.5 percent of the percentage which the total tangible property used by the
 4.13 taxpayer in this state in connection with the trade or business during the tax period is of
 4.14 the total tangible property, wherever located, used by the taxpayer in connection with the
 4.15 trade or business during the tax period; and

4.16 (3) 12.5 percent of the percentage which the taxpayer's total payrolls paid or
 4.17 incurred in this state or paid in respect to labor performed in this state in connection with
 4.18 the trade or business during the tax period are of the taxpayer's total payrolls paid or
 4.19 incurred in connection with the trade or business during the tax period.

4.20 The tax is in addition to all other taxes.

4.21 **EFFECTIVE DATE.** This section is effective for tax years beginning after
 4.22 December 31, 2005.

4.23 Sec. Minnesota Statutes 2004, section 298.01, subdivision 4a, is amended to read:

4.24 Subd. 4a. **Gross income.** (a) For purposes of determining a person's taxable income
 4.25 under subdivision 4, gross income is determined by the mine value of the ore mined in
 4.26 Minnesota and includes any gain or loss recognized from the sale or disposition of assets
 4.27 used in the business in this state.

4.28 (b) Mine value is the value, or selling price, of iron ore or taconite concentrates, f.o.b.
 4.29 mine. The mine value is calculated by multiplying the iron unit price for the period, as
 4.30 determined by the commissioner, by the tons produced and the weighted average analysis.

4.31 (c) In applying section 290.191, subdivision 5, transfers of iron ore and taconite
 4.32 concentrates are deemed to be sales outside in this state ~~if the iron ore or taconite~~
 4.33 ~~concentrates are transported out of this state after the raw iron ore and taconite~~
 4.34 ~~concentrates have been converted to a marketable quality.~~

5.1 (d) If iron ore or taconite and a mineral, metal, or energy resource referred to in
5.2 section 298.016 is mined and processed at the same mine and plant, a gross income for
5.3 each mineral, metal, or energy resource must be determined separately from the mine
5.4 value for the iron ore or taconite. The gross income may be combined on one occupation
5.5 tax return to arrive at the gross income from all production.

5.6 **EFFECTIVE DATE.** This section is effective for tax years beginning after
5.7 December 31, 2005.

5.8 Sec. Minnesota Statutes 2004, section 298.01, subdivision 4b, is amended to read:

5.9 Subd. 4b. **Deductions.** For purposes of determining taxable income under
5.10 subdivision 4, the deductions from gross income include only those expenses necessary
5.11 to convert raw iron ore or taconite concentrates to marketable quality. Such expenses
5.12 include costs associated with beneficiation and refinement but do not include expenses
5.13 such as transportation, stockpiling, marketing, or marine insurance that are incurred after
5.14 marketable iron ore or taconite pellets are produced. The allowable deductions from a
5.15 mine or plant that mines and produces iron ore or taconite and one or more mineral, metal,
5.16 or energy resource referred to in section 298.016 must be determined separately for the
5.17 purposes of computing the deduction in section 290.01, subdivision 19c, clause (9). These
5.18 deductions may be combined on one occupation tax return to arrive at the deduction from
5.19 gross income for all production.

5.20 **EFFECTIVE DATE.** This section is effective for tax years beginning after
5.21 December 31, 2005.

5.22 Sec. Minnesota Statutes 2004, section 298.01, is amended by adding a subdivision
5.23 to read:

5.24 Subd. 6. **Deductions applicable to mining both taconite and other ores; ratio**
5.25 **applied.** If a person is engaged in the business of mining or producing both iron ores,
5.26 taconite concentrates, or direct reduced ore, and other ores from the same mine or
5.27 facility, that person must separately determine the mine value of (1) the iron ore, taconite
5.28 concentrates, and direct reduced ore, and (2) the amount of gross proceeds from mining
5.29 other ores in Minnesota. The ratio of mine value from iron ore, taconite concentrates,
5.30 and direct reduced ore to gross proceeds from mining other ores must be applied to
5.31 deductions common to both processes to determine taxable income for tax paid pursuant
5.32 to subdivisions 3 and 4.

5.33 **EFFECTIVE DATE.** This section is effective for tax years beginning after
5.34 December 31, 2005."

6.1 Page ..., after line ..., insert:

6.2 "Sec. Minnesota Statutes 2004, section 298.015, subdivision 1, is amended to
6.3 read:

6.4 Subdivision 1. **Tax imposed.** ~~A person engaged in the business of mining shall pay~~
6.5 ~~to the state of Minnesota for distribution as provided in section 298.018 a net proceeds~~
6.6 ~~tax equal to two 2.45 percent of the net proceeds from mining in Minnesota. The tax~~
6.7 ~~applies to~~ is annually imposed on all lands and buildings occupied or used in connection
6.8 with the mining, quarrying, or production of all mineral, metal, and energy resources
6.9 mined or extracted within the state of Minnesota. The tax applies to lands and buildings
6.10 occupied or used in connection with the mining, quarrying, or production of mineral,
6.11 metal, or energy resources except for sand, silica sand, gravel, building stone, crushed
6.12 rock, limestone, granite, dimension granite, dimension stone, horticultural peat, clay,
6.13 kaolin, soil, iron ore, and taconite concentrates. The net proceeds tax is payable on May
6.14 15 of the year following the mining year on which the net proceeds are calculated. The
6.15 tax must be paid to the commissioner of revenue for distribution as provided in section
6.16 298.018. The tax is in addition to all other taxes provided for by law. All laws for the
6.17 enforcement of taxes on real property apply to the net proceeds tax, except that the due
6.18 date of net proceeds tax in this section applies.

6.19 **EFFECTIVE DATE.** This section is effective for taxes payable in 2007 and
6.20 thereafter.

6.21 Sec. Minnesota Statutes 2004, section 298.016, is amended to read:

6.22 **298.016 GROSS PROCEEDS.**

6.23 Subdivision 1. **Computation; arm's-length transactions.** When a ~~metal or~~
6.24 mineral, metal, or energy resources product is sold by the producer in an arm's-length
6.25 transaction, the gross proceeds are equal to the proceeds from the sale of the product. This
6.26 subdivision applies to sales realized on all metal or mineral products produced from
6.27 mining, including reduction, beneficiation, or any treatment used by a producer to obtain a
6.28 metal or mineral product which is commercially marketable.

6.29 Subd. 2. **Other transactions.** When a ~~metal or~~ mineral, metal, or energy resources
6.30 product is used by the producer or disposed of in a non-arm's-length transaction, the
6.31 gross proceeds must be determined using the alternative computation in subdivision 3.
6.32 Transactions subject to this subdivision include, but are not limited to, shipments to a
6.33 wholly owned smelter, transactions with associated or affiliated companies, and any other
6.34 transactions which are not at arm's length.

7.1 Subd. 3. **Alternative computation.** The commissioner of revenue shall determine
7.2 the alternative computation of gross proceeds using the following procedure:

7.3 (a)(1) Mineral, metal, and ~~mineral~~ energy resources prices shall be determined
7.4 by using the average annual market price as published in the Engineering and Mining
7.5 Journal; (2) For ~~metals or mineral, metal, or energy resources~~ products with a monthly
7.6 or weekly price quotation in the Engineering and Mining Journal, but for which no
7.7 average annual price has been published, an arithmetic average of the monthly or weekly
7.8 prices published in the Engineering and Mining Journal shall be used; (3) If the price of
7.9 a particular ~~metal or mineral, metal, or energy resources~~ product is not published in the
7.10 Engineering and Mining Journal, another recognized published price, as established by
7.11 the commissioner of revenue will be used.

7.12 (b) The quantity of each particular ~~metal or mineral, metal, or energy resources~~
7.13 product recovered and paid or credited for by the smelter will be multiplied by the average
7.14 annual market price as determined in clause (a). Special smelter charges for particular
7.15 metals will be allowed as a deduction from this price. The resulting amount will be the
7.16 gross proceeds for calculating the tax in section 298.015.

7.17 Subd. 4. **Definitions.** For the purposes of sections 298.015 and 298.017, the
7.18 terms defined in this subdivision have the meaning given them unless the context clearly
7.19 indicates otherwise.

7.20 (a) "~~Metal or Mineral, metal, or energy resources~~ products" means all those mineral,
7.21 metal, and energy resources subject to the tax provided in section 298.015.

7.22 (b) "Exploration" means activities designed and engaged in to ascertain the
7.23 existence, location, extent, or quality of any deposit of ~~metal or mineral, metal, or energy~~
7.24 resources products prior to the development of a mining site:

7.25 (c) "Development" means activities designed and engaged in to prepare or develop a
7.26 potential mining site for mining after the existence of ~~metal or mineral, metal, or energy~~
7.27 resources products in commercially marketable quantities has been disclosed including,
7.28 but not limited to, the clearing of forestation, the building of roads, removal of overburden,
7.29 or the sinking of shafts.

7.30 (d) "Research" means activities designed and engaged in to create new or improved
7.31 methods of mining, producing, processing, beneficiating, smelting, or refining ~~metal or~~
7.32 mineral, metal, or energy resources products.

7.33 **EFFECTIVE DATE.** This section is effective for taxes payable in 2007 and
7.34 thereafter.

7.35 Sec. Minnesota Statutes 2004, section 298.017, is amended to read:

8.1 **298.017 DEDUCTIONS.**

8.2 Subdivision 1. **Deductions not allowed.** For purposes of calculating the net
 8.3 proceeds under section 298.015, the following expenses are not deductible: (1) ~~all~~
 8.4 ~~sales, marketing, and interest expenses;~~ (2) all insurance expense and taxes, except
 8.5 as specifically provided in this section; ~~(3)~~ (2) all administrative expenses outside of
 8.6 Minnesota; ~~(4)~~ (3) any research expense prior to production; ~~(5) funds set aside during~~
 8.7 ~~production years to pay for reclamation expenses after production ends;~~ ~~(6) royalty~~
 8.8 ~~expenses;~~ that would be subject to the tax in section 298.015; (4) percentage depletion
 8.9 allowances; and (5) the cost of mining land.

8.10 Subd. 2. **Deductions allowed.** (a) In calculating the net proceeds for the purpose of
 8.11 determining the tax provided in section 298.015, only those expenses specifically allowed
 8.12 in this subdivision may be deducted from gross proceeds. The carryback or carryforward
 8.13 of deductions shall not be allowed.

8.14 (b) Ordinary and necessary expenses actually paid for the mining, production,
 8.15 processing, beneficiation, smelting, or refining of metal or mineral products for:

8.16 (1) labor, including wages, salaries, fringe benefits, unemployment and workers'
 8.17 compensation insurance;

8.18 (2) machinery, equipment, and supplies, including any sales and use tax paid on it,
 8.19 except that machinery and equipment subject to depreciation shall only be deductible
 8.20 under clause (b)(3);

8.21 (3) depreciation as defined and allowed by section 167 of the Internal Revenue Code
 8.22 of 1986, as amended through December 31, ~~1996~~ 2001;

8.23 (4) administrative expenses inside Minnesota; ~~and~~

8.24 (5) reclamation costs actually incurred in Minnesota and paid in a year of production,
 8.25 including the payment of bonds required by the provisions of an environmental permit
 8.26 issued by the state of Minnesota are deductible;

8.27 (6) cost depletion on the mining property as allowed under sections 611 and 612 of
 8.28 the Internal Revenue Code of 1986, as amended through December 31, 2001;

8.29 (7) sales and marketing expenses for sales and marketing of minerals, metals, or
 8.30 energy resources subject to the tax provided by section 298.015;

8.31 (8) interest expense for money borrowed for mining or processing minerals, metals,
 8.32 or energy resources subject to the tax provided by section 298.015;

8.33 (9) insurance expense for insuring mines and property that produce minerals, metals,
 8.34 or energy resources subject to the tax provided by section 298.015;

9.1 (10) funds set aside during production years to pay for reclamation costs after
 9.2 production of minerals, metals, or energy resources ends, not to exceed five percent of
 9.3 gross revenue of the production year; and

9.4 (11) royalty expenses for the production of minerals, metals, or energy resources.

9.5 (c) Ordinary and necessary expenses of transporting ~~metal or mineral, metal, or~~
 9.6 energy resources products are allowed as a deduction if the costs are included in the
 9.7 sale price of the products.

9.8 (d) Expenses of exploration, research, or development in this state for the mining and
 9.9 processing of minerals, metals, or energy resources within Minnesota paid in a production
 9.10 year are deductible in the production year.

9.11 (e) Expenses of exploration and development in Minnesota incurred prior to
 9.12 production must be amortized and deducted on a straight-line basis over the first five
 9.13 years of production.

9.14 **EFFECTIVE DATE.** This section is effective for taxes payable in 2007 and
 9.15 thereafter.

9.16 Sec. Minnesota Statutes 2004, section 298.018, subdivision 1, is amended to read:

9.17 Subdivision 1. **Within the taconite assistance area.** ~~The~~ As soon as practical
 9.18 upon receipt, the commissioner of revenue must pay any proceeds of the tax paid under
 9.19 sections 298.015 to 298.017 on minerals and energy resources mined or extracted within
 9.20 the taconite assistance area defined in section 273.1341, shall be allocated as follows:

9.21 ~~(1) five percent to the city or town within which the minerals or energy resources~~
 9.22 ~~are mined or extracted;~~

9.23 ~~(2) ten percent to the taconite municipal aid account to be distributed as provided~~
 9.24 ~~in section 298.282;~~

9.25 ~~(3) ten percent to the school district within which the minerals or energy resources~~
 9.26 ~~are mined or extracted;~~

9.27 ~~(4) 20 percent to a group of school districts comprised of those school districts~~
 9.28 ~~wherein the mineral or energy resource was mined or extracted or in which there is a~~
 9.29 ~~qualifying municipality as defined by section 273.134, paragraph (b), in direct proportion~~
 9.30 ~~to school district indexes as follows: for each school district, its pupil units determined~~
 9.31 ~~under section 126C.05 for the prior school year shall be multiplied by the ratio of the~~
 9.32 ~~average adjusted net tax capacity per pupil unit for school districts receiving aid under~~
 9.33 ~~this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year~~
 9.34 ~~ending prior to distribution to the adjusted net tax capacity per pupil unit of the district.~~

10.1 ~~Each district shall receive that portion of the distribution which its index bears to the sum~~
 10.2 ~~of the indices for all school districts that receive the distributions;~~

10.3 ~~(5) 20 percent to the county within which the minerals or energy resources are~~
 10.4 ~~mined or extracted;~~

10.5 ~~(6) 20 percent to St. Louis County acting as the counties' fiscal agent to be~~
 10.6 ~~distributed as provided in sections 273.134 to 273.136;~~

10.7 ~~(7) five percent to the Iron Range Resources and Rehabilitation Board for the~~
 10.8 ~~purposes of section 298.22;~~

10.9 ~~(8) five percent to the Douglas J. Johnson economic protection trust fund; and~~

10.10 ~~(9) five percent to the taconite environmental protection fund.~~

10.11 ~~The proceeds of the tax shall be distributed on July 15 each year. to the county~~

10.12 ~~auditor of the county in which the property occupied or used in connection with the~~

10.13 ~~mining, quarrying, or production of the minerals, metals, or energy resources occurred.~~

10.14 ~~The commissioner's payment must be accompanied by an order of the commissioner~~

10.15 ~~specifying the distribution of the payment to the taxing authorities having jurisdiction in~~

10.16 ~~the county based on ratio of net tax capacity local tax rates for property taxes payable in~~

10.17 ~~the current year within each unique taxing jurisdiction in the county. "Unique taxing~~

10.18 ~~jurisdiction" has the meaning given in section 273.1398. If the taxpayer conducts both~~

10.19 ~~mining and quarrying, as well as production activities within the state, the commissioner~~

10.20 ~~shall allocate 60 percent of the tax receipts from the taxpayer to the unique taxing~~

10.21 ~~jurisdiction within which the taxpayer's mining or quarrying activities were performed~~

10.22 ~~and 40 percent to the unique taxing jurisdiction within which that taxpayer's production~~

10.23 ~~activities were performed; and, if the taxpayer has mining, quarrying, or production~~

10.24 ~~activities within more than one unique taxing jurisdiction, the commissioner shall give due~~

10.25 ~~consideration to the relative extent of such operations performed in each location. The~~

10.26 ~~commissioner's order is subject to review on appeal by an interested taxing authority in~~

10.27 ~~the manner provided in section 271.06 and related provisions.~~

10.28 **EFFECTIVE DATE.** This section is effective for taxes payable in 2007 and

10.29 thereafter."

10.30 Page ..., after line ..., insert:

10.31 "Sec. Minnesota Statutes 2004, section 298.16, is amended to read:

10.32 **298.16 TAXES TO BE CREDITED TO GENERAL FUND.**

10.33 All taxes imposed under ~~sections~~ section 298.01 ~~and 298.015~~ must be paid into the

10.34 state treasury and credited to the general fund.

11.1 **EFFECTIVE DATE.** This section is effective for taxes payable in 2007 and
 11.2 thereafter.

11.3 Sec. Minnesota Statutes 2004, section 298.17, is amended to read:

11.4 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

11.5 All occupation taxes paid by persons, copartnerships, companies, joint stock
 11.6 companies, corporations, and associations, however or for whatever purpose organized,
 11.7 engaged in the business of mining or producing iron ore or other ores, when collected
 11.8 shall be apportioned and distributed in accordance with the Constitution of the state of
 11.9 Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited
 11.10 in the state treasury and credited to the general fund of which four-ninths shall be used
 11.11 for the support of elementary and secondary schools; and ten percent of the proceeds of
 11.12 the tax imposed by this section shall be deposited in the state treasury and credited to the
 11.13 general fund for the general support of the university. Of the moneys apportioned to the
 11.14 general fund by this section from persons mining within the taconite tax relief area, there
 11.15 is annually appropriated and credited to the Iron Range Resources and Rehabilitation
 11.16 Board account in the special revenue fund an amount equal to that which would have been
 11.17 generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced in
 11.18 the preceding calendar year, to be expended for the purposes of section 298.22. The
 11.19 money appropriated pursuant to this section shall be used (1) to provide environmental
 11.20 development grants to local governments located within any county in region 3 as defined
 11.21 in governor's executive order number 60, issued on June 12, 1970, which does not contain
 11.22 a municipality qualifying pursuant to section 273.134, paragraph (b), or (2) to provide
 11.23 economic development loans or grants to businesses located within any such county,
 11.24 provided that the county board or an advisory group appointed by the county board to
 11.25 provide recommendations on economic development shall make recommendations to the
 11.26 Iron Range Resources and Rehabilitation Board regarding the loans. Payment to the Iron
 11.27 Range Resources and Rehabilitation Board account shall be made by May 15 annually.

11.28 Of the money allocated to Koochiching County, one-third must be paid to the
 11.29 Koochiching County Economic Development Commission.

11.30 **EFFECTIVE DATE.** This section is effective for tax years beginning after
 11.31 December 31, 2005."

11.32 Page ..., after line ..., insert:

11.33 "Sec. Minnesota Statutes 2004, section 298.225, subdivision 2, is amended to
 11.34 read:

12.1 Subd. 2. **Funding guaranteed distribution level.** The money necessary for
 12.2 funding the difference between the initial distribution made pursuant to section 298.28
 12.3 and the amount guaranteed in subdivision 1 is appropriated ~~in equal proportions~~ from the
 12.4 initial current year distributions to the ~~taconite environmental protection fund and to the~~
 12.5 Douglas J. Johnson economic protection trust pursuant to section 298.28. If the initial
 12.6 distributions to the ~~taconite environmental protection fund and the~~ Douglas J. Johnson
 12.7 economic protection trust are insufficient to fund the difference, the commissioner of Iron
 12.8 Range resources and rehabilitation shall make the payments of any remaining difference
 12.9 from the corpus of the ~~taconite environmental protection fund and the corpus~~ of the
 12.10 Douglas J. Johnson economic protection trust fund ~~in equal proportions~~ as directed by the
 12.11 commissioner of revenue.

12.12 If a taconite producer ceases beneficiation operations permanently and is required
 12.13 by a special law to make bond payments for a school district, the Douglas J. Johnson
 12.14 economic protection trust fund shall assume the payments of the taconite producer if
 12.15 the producer ceases to make the needed payments. The commissioner of Iron Range
 12.16 resources and rehabilitation shall make these school bond payments from the corpus of
 12.17 the Douglas J. Johnson economic protection trust fund in the amounts certified by the
 12.18 commissioner of revenue.

12.19 **EFFECTIVE DATE.** This section is effective for taxes payable in 2007 and
 12.20 thereafter."

12.21 Page ..., after line ..., insert:

12.22 "Sec. Minnesota Statutes 2005 Supplement, section 298.24, subdivision 1, is
 12.23 amended to read:

12.24 Subdivision 1. **Imposed; calculation.** (a) ~~For concentrate produced in 2001, 2002,~~
 12.25 ~~and 2003, there is imposed upon taconite and iron sulphides, and upon the mining and~~
 12.26 ~~quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the~~
 12.27 ~~concentrate so produced, a tax of \$2.103 per gross ton of merchantable iron ore concentrate~~
 12.28 ~~produced therefrom.~~ An ad valorem production tax is imposed on mining property from
 12.29 which taconite or iron sulphides are produced. The value of the property is determined by
 12.30 the amount of taconite and iron sulphides produced, and the amount of tax is determined
 12.31 by multiplying the taconite and iron sulphides produced by the tax rates provided in this
 12.32 section. However, for any year that ad valorem property taxes based on the definition of
 12.33 market value in sections 273.032 and 273.11, subdivision 1, on the mines, quarries, lands,
 12.34 buildings, production facilities, and power plants used in the production of taconite or iron
 12.35 sulphides by that taconite facility are greater, the production tax does not apply.

13.1 (b) For concentrates produced in 2005 through 2010, the tax rate is ~~the same rate~~
13.2 ~~imposed for concentrates produced in 2004~~ \$2.137 per gross ton of merchantable iron ore.

13.3 ~~(b)~~ (c) For concentrates produced in ~~2006~~ 2011 and subsequent years, the tax rate
13.4 shall be equal to the preceding year's tax rate plus an amount equal to the preceding year's
13.5 tax rate multiplied by the percentage increase in the implicit price deflator from the fourth
13.6 quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit
13.7 price deflator" means the implicit price deflator for the gross domestic product prepared by
13.8 the Bureau of Economic Analysis of the United States Department of Commerce.

13.9 ~~(c)~~ (d) On concentrates produced in 1997 and thereafter, an additional tax is
13.10 imposed equal to three cents per gross ton of merchantable iron ore concentrate for each
13.11 one percent that the iron content of the product exceeds 72 percent, when dried at 212
13.12 degrees Fahrenheit.

13.13 ~~(d) The tax shall be imposed on the average of the production for the current year~~
13.14 ~~and the previous two years. The rate of the tax imposed will be the current year's tax rate.~~
13.15 ~~This clause shall not apply in the case of the closing of a taconite facility if the property~~
13.16 ~~taxes on the facility would be higher if this clause and section 298.25 were not applicable.~~

13.17 (e) If the tax or any part of the tax imposed by this subdivision is held to be
13.18 unconstitutional, a tax of ~~\$2.103~~ \$2.137 per gross ton of merchantable iron ore concentrate
13.19 produced shall be imposed.

13.20 (f) Consistent with the intent of this subdivision to impose a tax based upon the
13.21 weight of merchantable iron ore concentrate, the commissioner of revenue may indirectly
13.22 determine the weight of merchantable iron ore concentrate included in fluxed pellets by
13.23 subtracting the weight of the limestone, dolomite, or olivine derivatives or other basic
13.24 flux additives included in the pellets from the weight of the pellets. For purposes of this
13.25 paragraph, "fluxed pellets" are pellets produced in a process in which limestone, dolomite,
13.26 olivine, or other basic flux additives are combined with merchantable iron ore concentrate.
13.27 No subtraction from the weight of the pellets shall be allowed for binders, mineral and
13.28 chemical additives, other than a subtraction for basic flux additives, or and moisture.

13.29 (g)(1) Notwithstanding any other provision of this subdivision, for the first two years
13.30 of a plant's commercial production of direct reduced ore, no tax is imposed under this
13.31 section. As used in this paragraph, "commercial production" is production of more than
13.32 50,000 tons of direct reduced ore in the current year or in any prior year, "noncommercial
13.33 production" is production of 50,000 tons or less of direct reduced ore in any year, and
13.34 "direct reduced ore" is ore that results in a product that has an iron content of at least 75
13.35 percent. For the third year of a plant's commercial production of direct reduced ore, the
13.36 rate to be applied to direct reduced ore is 25 percent of the rate otherwise determined

14.1 under this subdivision. For the fourth commercial production year, the rate is 50 percent of
 14.2 the rate otherwise determined under this subdivision; for the fifth commercial production
 14.3 year, the rate is 75 percent of the rate otherwise determined under this subdivision; and for
 14.4 all subsequent commercial production years, the full rate is imposed.

14.5 (2) Subject to clause (1), production of direct reduced ore in this state is ~~subject to~~
 14.6 included in the measure of the tax imposed by this section, but if that production is not
 14.7 produced by a producer of taconite or iron sulfides, the production of taconite or iron
 14.8 sulfides consumed in the production of direct reduced iron in this state is not ~~subject to~~
 14.9 included in the measure of the tax imposed by this section on taconite or iron sulfides.

14.10 (3) Notwithstanding any other provision of this subdivision, no tax is imposed on
 14.11 direct reduced ore under this section during the facility's noncommercial production
 14.12 of direct reduced ore. The taconite or iron sulphides consumed in the noncommercial
 14.13 production of direct reduced ore is subject to the tax imposed by this section on taconite
 14.14 and iron sulphides. ~~Three-year average production of direct reduced ore does not~~
 14.15 ~~include production of direct reduced ore in any noncommercial year. Three-year average~~
 14.16 ~~production for a direct reduced ore facility that has noncommercial production is the~~
 14.17 ~~average of the commercial production of direct reduced ore for the current year and the~~
 14.18 ~~previous two commercial years.~~

14.19 **EFFECTIVE DATE.** This section is effective for taxes payable in 2007 and
 14.20 thereafter.

14.21 Sec. Minnesota Statutes 2004, section 298.24, is amended by adding a subdivision
 14.22 to read:

14.23 Subd. 5. **Enforcement; lien.** All laws for the enforcement of taxes on real property
 14.24 apply to the production tax. The lien under section 272.31 attaches to all lands and
 14.25 buildings occupied by, or used in connection with, the mining, quarrying, or production
 14.26 of taconite or iron sulphide concentrates by a common owner, including any plants
 14.27 principally devoted to the generation of electric or steam power for such purposes by such
 14.28 common owner, on January 2 of the production year. The lien attaching under this section
 14.29 and section 272.31 for the tax imposed by this section does not attach to property leased to
 14.30 the producer for extraction of taconite or iron sulphides, if the owner of the property is not
 14.31 the producer or an affiliate of the producer. An affiliate of the producer is any person in
 14.32 which the producer has a greater than 50 percent ownership, directly or indirectly.

14.33 **EFFECTIVE DATE.** This section is effective for taxes payable in 2007 and
 14.34 thereafter."

14.35 Page .., after line .., insert:

15.1 "Sec. Minnesota Statutes 2004, section 298.27, is amended to read:

15.2 **298.27 COLLECTION AND PAYMENT OF TAX; ADMINISTRATIVE**
 15.3 **PROVISIONS.**

15.4 Subdivision 1. Filing of monthly reports; annual return. The taxes provided by
 15.5 section 298.24 shall be paid directly to each eligible county and the Iron Range Resources
 15.6 and Rehabilitation Board. The commissioner of revenue shall notify each producer of the
 15.7 amount to be paid each recipient prior to February 15. (a) The producer required to file a
 15.8 return under paragraph (b) shall file with the commissioner of revenue a report of tons of
 15.9 ore produced for each calendar month by the last business day of the following month.
 15.10 The report must contain the information required by the commissioner.

15.11 Every person subject to taxes imposed by section 298.24 (b) Each producer shall file
 15.12 with the commissioner of revenue a correct report covering return assessing the tax for the
 15.13 preceding year. The report must contain the information required by the commissioner.
 15.14 The report shall be filed by each producer on a form prescribed by the commissioner on
 15.15 or before February 1. If the producer fails to file a return, the commissioner may make a
 15.16 return for such producer.

15.17 Subd. 2. Notification by commissioner. The producer shall pay the taxes due under
 15.18 this section directly to the county auditor of each eligible county and to the Iron Range
 15.19 Resources and Rehabilitation Board. Prior to February 15, the commissioner shall notify
 15.20 each producer of the amount of taxes allocated to each recipient, and the amount of taxes
 15.21 to be remitted to each county and to the board.

15.22 Subd. 3. Due dates for payment; installment agreement; distribution. (a) A
 15.23 remittance equal to 50 percent of the total tax required to be paid hereunder shall be paid
 15.24 on or before February 24. A remittance equal to the remaining total tax required to be paid
 15.25 hereunder shall be paid on or before August 24.

15.26 (b) On or before February 25 and August 25, the county auditor shall make
 15.27 distribution of distribute the payments previously received by the county in the
 15.28 manner provided by section 298.28. Reports shall be made and hearings held upon the
 15.29 determination of the tax in accordance with procedures established by the commissioner of
 15.30 revenue. The commissioner of revenue shall have authority to make reasonable rules as to
 15.31 the form and manner of filing reports necessary for the determination of the tax hereunder,
 15.32 and by such rules may require the production of such information as may be reasonably
 15.33 necessary or convenient for the determination and apportionment of the tax. All the
 15.34 provisions of the occupation tax law with reference to the assessment and determination of
 15.35 the occupation tax, including all provisions for appeals from or review of the orders of
 15.36 the commissioner of revenue relative thereto, but not including provisions for refunds,

16.1 ~~are applicable to the taxes imposed by section 298.24 except in so far as inconsistent~~
16.2 ~~herewith. If any person subject to section 298.24 shall fail to make the report provided~~
16.3 ~~for in this section at the time and in the manner herein provided, the commissioner of~~
16.4 ~~revenue shall in such case, upon information possessed or obtained, ascertain the kind~~
16.5 ~~and amount of ore mined or produced and thereon find and determine the amount of the~~
16.6 ~~tax due from such person. There shall be added to the amount of tax due a penalty for~~
16.7 ~~failure to report on or before February 1, which penalty shall equal ten percent of the tax~~
16.8 ~~imposed and be treated as a part thereof.~~

16.9 ~~If any person responsible for making a tax payment at the time and in the manner~~
16.10 ~~herein provided fails to do so, there shall be imposed a penalty equal to ten percent of the~~
16.11 ~~amount so due, which penalty shall be treated as part of the tax due.~~

16.12 ~~In the case of any underpayment of the tax payment required herein, there may be~~
16.13 ~~added and be treated as part of the tax due a penalty equal to ten percent of the amount~~
16.14 ~~so underpaid.~~

16.15 Subd. 4. Rulemaking. The commissioner may promulgate rules to administer the
16.16 taxes imposed by section 298.24.

16.17 Subd. 5. Order of assessment. (a) When a return has been filed and the
16.18 commissioner determines that the tax is greater than the tax reported on the return, the
16.19 commissioner shall mail an order of assessment to the producer who filed the return at
16.20 the producer's last known address. The time limit for issuing an order of assessment
16.21 is one year after the return has been filed.

16.22 (b) An order of assessment, or a return made by the commissioner under subdivision
16.23 1, paragraph (b), is prima facie correct and valid. The producer has the burden of
16.24 establishing its incorrectness or invalidity in any related action or proceeding.

16.25 (c) An order of assessment is appealable administratively under section 270C.35 or
16.26 to the Tax Court under chapter 271.

16.27 Subd. 6. Claim for refund. (a) A producer who has paid tax in excess of the amount
16.28 due may file a written claim for refund with the commissioner. The time limit for filing a
16.29 claim for refund is one year after the due date of the return.

16.30 (b) If the commissioner allows the claim, the amount of the overpayment may
16.31 be refunded to the producer from total revenues received under subdivision 3, or the
16.32 commissioner may credit the amount against taxes otherwise payable by the producer
16.33 under this section.

17.1 (c) If the commissioner denies the claim, the commissioner shall issue an order of
17.2 denial. An order of denial is appealable in the same manner as an order of assessment
17.3 under subdivision 5.

17.4 Subd. 7. Penalties. (a) If a producer fails to file a return on or before February 1, a
17.5 penalty of ten percent of the tax not timely paid is added to the tax.

17.6 (b) If a producer fails to pay a tax due under this section by the due date, a penalty of
17.7 ten percent of the unpaid tax is added to the tax.

17.8 (c) The penalties and interest imposed by this subdivision are collected, paid, and
17.9 distributed in the same manner as the tax.

17.10 (d) The penalties imposed by this subdivision may be abated by the commissioner
17.11 under the abatement procedures prescribed in section 270C.34, subdivision 2, if the failure
17.12 to timely file the return or timely pay the tax is due to reasonable cause.

17.13 Subd. 8. Interest. If a tax due under this section is not timely paid, the unpaid
17.14 tax, plus any penalties imposed under subdivision 7, bears interest at the rate specified
17.15 in section 270C.40 from the date the tax should have been paid until the date the tax is
17.16 paid. Interest must be paid on an overpayment refunded or credited to the taxpayer under
17.17 subdivision 6 at the rate specified in section 270C.405 from the date of payment of the tax
17.18 until the date the refund is paid or credited.

17.19 Subd. 9. Electronic funds transfer. A ~~person having a liability of \$120,000 or more~~
17.20 ~~during a calendar year~~ producer must remit all liabilities by means of a funds transfer as
17.21 defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined
17.22 in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is
17.23 due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a),
17.24 clause (4), the payment date must be on or before the funds transfer business day next
17.25 following the date the tax is due.

17.26 **EFFECTIVE DATE.** This section is effective for taxes payable in 2007 and
17.27 thereafter.

delete

17.28 Sec. Minnesota Statutes 2004, section 298.28, subdivision 1, is amended to read:

17.29 Subdivision 1. **Distribution.** The proceeds of the taxes collected under section
17.30 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon
17.31 certification of the commissioner of revenue, be allocated under subdivisions 2 to ~~12~~ 11.
17.32 Distributions under subdivisions 2 to 11 shall be made on the average of the production
17.33 for the current year and the previous two years.

18.1 **EFFECTIVE DATE.** This section is effective for taxes payable in 2007 and
18.2 thereafter."

18.3 Page ..., after line ..., insert:

18.4 "Sec. Minnesota Statutes 2004, section 298.28, subdivision 4, is amended to read:

18.5 Subd. 4. **School districts.** (a) 17.15 cents per taxable ton plus the increase provided
18.6 in paragraph (d) must be allocated to qualifying school districts to be distributed, based
18.7 upon the certification of the commissioner of revenue, under paragraphs (b) and (c),
18.8 except as otherwise provided in paragraph (f).

18.9 (b) 3.43 cents per taxable ton must be distributed to the school districts in which
18.10 the lands from which taconite was mined or quarried were located or within which the
18.11 concentrate was produced. The distribution must be based on the apportionment formula
18.12 prescribed in subdivision 2.

18.13 (c)(i) 13.72 cents per taxable ton, less any amount distributed under paragraph (e),
18.14 shall be distributed to a group of school districts comprised of those school districts which
18.15 qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a
18.16 qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion
18.17 to school district indexes as follows: for each school district, its pupil units determined
18.18 under section 126C.05 for the prior school year shall be multiplied by the ratio of the
18.19 average adjusted net tax capacity per pupil unit for school districts receiving aid under
18.20 this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year
18.21 ending prior to distribution to the adjusted net tax capacity per pupil unit of the district.
18.22 Each district shall receive that portion of the distribution which its index bears to the sum
18.23 of the indices for all school districts that receive the distributions.

18.24 (ii) Notwithstanding clause (i), each school district that receives a distribution
18.25 under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this
18.26 clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on
18.27 severed mineral values after reduction for any portion distributed to cities and towns under
18.28 section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its levy
18.29 reduction under section 126C.48, subdivision 8, for the second year prior to the year of the
18.30 distribution shall receive a distribution equal to the difference; the amount necessary to
18.31 make this payment shall be derived from proportionate reductions in the initial distribution
18.32 to other school districts under clause (i).

18.33 (d) Any school district described in paragraph (c) where a levy increase pursuant to
18.34 section 126C.17, subdivision 9, was authorized by referendum for taxes payable in 2001,
18.35 shall receive a distribution of 21.3 cents per ton. Each district shall receive \$175 times the
18.36 pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous

19.1 year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent
19.2 times the district's taxable net tax capacity in the second previous year.

19.3 If the total amount provided by paragraph (d) is insufficient to make the payments
19.4 herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly
19.5 so as not to exceed the funds available. Any amounts received by a qualifying school
19.6 district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general
19.7 education aid which the district receives pursuant to section 126C.13 or the permissible
19.8 levies of the district. Any amount remaining after the payments provided in this paragraph
19.9 shall be paid to the commissioner of Iron Range resources and rehabilitation who shall
19.10 deposit the same in the ~~taconite environmental protection fund~~ and the Douglas J. Johnson
19.11 economic protection trust fund as provided in subdivision 11.

19.12 Each district receiving money according to this paragraph shall reserve the lesser of
19.13 the amount received under this paragraph or \$25 times the number of pupil units served
19.14 in the district. It may use the money for early childhood programs or for outcome-based
19.15 learning programs that enhance the academic quality of the district's curriculum. The
19.16 outcome-based learning programs must be approved by the commissioner of education.

19.17 (e) There shall be distributed to any school district the amount which the school
19.18 district was entitled to receive under section 298.32 in 1975.

19.19 (f) Effective for the distribution in 2003 only, five percent of the distributions to
19.20 school districts under paragraphs (b), (c), and (e); subdivision 6, paragraph (c); subdivision
19.21 11; and section 298.225, shall be distributed to the general fund. The remainder less any
19.22 portion distributed to cities and towns under section 126C.48, subdivision 8, paragraph
19.23 (5), shall be distributed to the Douglas J. Johnson economic protection trust fund created
19.24 in section 298.292. Fifty percent of the amount distributed to the Douglas J. Johnson
19.25 economic protection trust fund shall be made available for expenditure under section
19.26 298.293 as governed by section 298.296. Effective in 2003 only, 100 percent of the
19.27 distributions to school districts under section 477A.15 less any portion distributed to
19.28 cities and towns under section 126C.48, subdivision 8, paragraph (5), shall be distributed
19.29 to the general fund.

19.30 **EFFECTIVE DATE.** This section is effective for taxes payable in 2007 and
19.31 thereafter."

19.32 Page .., after line .., insert:

19.33 "Sec. Minnesota Statutes 2004, section 298.28, is amended by adding a
19.34 subdivision to read:

20.1 Subd. 9c. Taconite environmental protection fund. Twenty-five cents per ton for
 20.2 distributions in 2007 and thereafter must be paid to the taconite environmental protection
 20.3 fund.

20.4 EFFECTIVE DATE. This section is effective for taxes payable in 2007 and
 20.5 thereafter."

20.6 Page .., after line .., insert:

20.7 "Sec. Minnesota Statutes 2004, section 298.28, subdivision 11, is amended to
 20.8 read:

20.9 Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which
 20.10 remain after the distributions and payments in subdivisions 2 to 10a, as certified by the
 20.11 commissioner of revenue, and paragraphs (b), (c), (d), and (e) have been made, together
 20.12 with interest earned on all money distributed under this section prior to distribution, shall
 20.13 ~~be divided between the taconite environmental protection fund created in section 298.223~~
 20.14 ~~and the Douglas J. Johnson economic protection trust fund created in section 298.292~~
 20.15 ~~as follows: Two-thirds to the taconite environmental protection fund and one-third~~
 20.16 distributed to the Douglas J. Johnson economic protection trust fund. ~~The proceeds shall~~
 20.17 ~~be placed in the respective special accounts.~~

20.18 (b) There shall be distributed to each city, town, and county the amount that it
 20.19 received under section 294.26 in calendar year 1977; provided, however, that the amount
 20.20 distributed in 1981 to the unorganized territory number 2 of Lake County and the town
 20.21 of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be
 20.22 distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake
 20.23 County and the towns of Beaver Bay and Stony River based on the miles of track of Erie
 20.24 Mining Company in each taxing district.

20.25 (c) There shall be distributed to the Iron Range Resources and Rehabilitation Board
 20.26 the amounts it received in 1977 under section 298.22. The amount distributed under
 20.27 this paragraph shall be expended within or for the benefit of the taconite assistance area
 20.28 defined in section 273.1341.

20.29 (d) There shall be distributed to each school district 62 percent of the amount that it
 20.30 received under section 294.26 in calendar year 1977.

20.31 (e) In 2003 only, \$100,000 must be distributed to a township located in a taconite
 20.32 tax relief area as defined in section 273.134, paragraph (a), that received \$119,259 of
 20.33 homestead and agricultural credit aid and \$182,014 in local government aid in 2001.

20.34 EFFECTIVE DATE. This section is effective for taxes payable in 2007 and
 20.35 thereafter."

21.1 Page ..., after line ..., insert:

21.2 "Sec. TRANSITION PROVISIONS.

21.3 Each person with an alternative minimum tax credit on December 31, 2005, pursuant
21.4 to Minnesota Statutes 2004, section 298.01, may take that credit against occupation tax
21.5 under Minnesota Statutes 2004, section 298.01, subdivisions 3d and 4e.

21.6 EFFECTIVE DATE. This section is effective the day following final enactment."

21.7 Page ..., after line ..., insert:

21.8 "Sec. REPEALER.

21.9 (a) Minnesota Statutes 2004, section 298.01, subdivisions 3c, 3d, 4d, and 4e, are
21.10 repealed effective for tax years beginning after December 31, 2005.

21.11 (b) Minnesota Statutes 2004, section 298.018, subdivision 2, is repealed effective
21.12 the day following final enactment.

21.13 (c) Minnesota Statutes 2004, section 298.28, subdivision 12, is repealed effective
21.14 for taxes payable in 2007 and thereafter."

21.15 Renumber the sections in sequence and correct the internal references

21.16 Amend the title accordingly

Repeal

E-12 FY 2006-2007 Budget Supplemental

Property Tax Levy Tracking, Senate K-12 Division Bill

2006 Session

(\$ in thousands)

	FY 2006 Pay 2005 Certified	FY 2007 Pay 2006 Cert. Est.	FY 2008 Pay 2007 Cert. Est.	Gov's Rec FY 2008 Pay 2007 Cert. Est.	Difference Gov's Rec - Cur. Law Pay 2007	Senate FY 2008 Pay 2007 Cert. Est.	Difference Senate - Cur. Law Pay 2007	FY 2009 Pay 2008 Cert. Est.	Gov's Rec FY 2009 Pay 2008 Cert. Est.	Difference Gov's Rec - Cur. Law Pay 2008	Senate FY 2009 Pay 2008 Cert. Est.	Difference Senate - Cur. Law Pay 2008
1 GENERAL FUND												
2 General Ed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3 Attached Machinery Adj	810.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4 Facilities & Equipment Bond Adj.	(6,414.2)	(6,256.2)	(6,550.0)	(6,550.0)	0.0	(6,550.0)	0.0	(6,750.0)	(6,750.0)	0.0	(6,750.0)	0.0
5 Training & Experience Levy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6 Transition -- Old Formula	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 Transition -- New Formula	17,925.4	22,075.0	23,342.0	23,342.0	0.0	23,342.0	0.0	24,292.8	24,292.8	0.0	24,292.8	0.0
8 Transition for 4 Y.O. Pre K	0.0	0.0	0.0	3,719.5	3,719.5	0.0	0.0	0.0	3,896.2	3,896.2	0.0	0.0
9 Equity	24,697.5	61,937.3	70,602.6	70,602.6	0.0	70,602.6	0.0	76,112.6	76,112.6	0.0	76,112.6	0.0
10 Operating Capital	44,092.9	101,597.2	112,276.1	112,276.1	0.0	55,207.0	(57,069.1)	122,263.5	122,263.5	0.0	61,586.4	(60,677.1)
11 Alternative Compensation (Q.Comp)	0.0	6,153.8	23,199.1	23,199.1	0.0	23,199.1	0.0	25,392.7	25,392.7	0.0	25,392.7	0.0
12 Alt Comp (Q. Comp) -- Include Perpich & Deseg Coops	0.0	0.0	0.0	(108.4)	(108.4)	0.0	0.0	0.0	(118.4)	(118.4)	0.0	0.0
13 Alt Comp (Q. Comp) -- Extend Transition	0.0	0.0	0.0	(991.7)	(991.7)	0.0	0.0	0.0	(1,087.3)	(1,087.3)	0.0	0.0
12 Supplemental	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13 Subtotal-General Educ	81,111.7	185,507.1	222,869.8	225,489.2	2,619.4	165,800.7	(57,069.1)	241,311.6	244,002.1	2,690.5	180,634.5	(60,677.1)
14												
15 Referendum	403,914.4	474,844.3	569,022.1	569,022.1	0.0	569,022.1	0.0	665,636.5	665,636.5	0.0	665,636.5	0.0
16												
17 Additional Retirement	10,354.4	10,735.1	11,271.9	11,271.9	0.0	11,271.9	0.0	11,835.5	11,835.5	0.0	11,835.5	0.0
18 St. Paul Severance	834.3	911.9	946.7	946.7	0.0	946.7	0.0	1,055.6	1,055.6	0.0	1,055.6	0.0
19 Minneapolis Health Insurance	355.1	389.8	445.5	445.5	0.0	445.5	0.0	496.7	496.7	0.0	496.7	0.0
20 Early Retirement Health Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21 Early Retirement Health Benefits	2,674.8	3,338.8	3,171.9	3,171.9	0.0	3,171.9	0.0	3,013.3	3,013.3	0.0	3,013.3	0.0
22 Reorganization Severance	668.3	316.8	316.8	316.8	0.0	316.8	0.0	316.8	316.8	0.0	316.8	0.0
23 Integration	24,661.9	25,271.1	25,617.6	25,617.6	0.0	25,617.6	0.0	25,179.2	25,179.2	0.0	25,179.2	0.0
24 Unemployment Insurance	3,201.6	9,420.6	9,891.6	9,891.6	0.0	9,891.6	0.0	10,386.2	10,386.2	0.0	10,386.2	0.0
25 Operating Debt	175.7	187.7	103.7	103.7	0.0	103.7	0.0	0.0	0.0	0.0	0.0	0.0
26 Reorganization Operating Debt	196.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27 Safe Schools (Crime)	24,196.1	24,055.1	24,718.9	24,718.9	0.0	24,718.9	0.0	24,513.8	24,513.8	0.0	24,513.8	0.0
28 Judgments	85.5	1,740.8	1,740.8	1,740.8	0.0	1,740.8	0.0	1,740.8	1,740.8	0.0	1,740.8	0.0
29 Swimming Pool	457.0	508.5	585.0	585.0	0.0	585.0	0.0	673.0	673.0	0.0	673.0	0.0
30 Ice Arena	742.5	895.2	967.0	967.0	0.0	967.0	0.0	1,044.0	1,044.0	0.0	1,044.0	0.0
31 Lost Interest Earnings	2,987.7	2,975.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32 Tree Growth	618.0	620.8	630.2	630.2	0.0	630.2	0.0	630.2	630.2	0.0	630.2	0.0
34 Staff Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
35 MDE Reconciliation -- Misc. Levies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
36 Career and Technical	12,678.2	12,689.2	12,689.2	12,689.2	0.0	12,689.2	0.0	15,278.2	15,278.2	0.0	15,278.2	0.0
37 Carpenter Bus	0.0	3,170.9	1,067.5	1,067.5	0.0	1,067.5	0.0	711.6	711.6	0.0	711.6	0.0
38 Administrative District Levy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
39 Economic Development Abatement	413.7	491.6	540.8	540.8	0.0	540.8	0.0	594.9	594.9	0.0	594.9	0.0
40 Other General	116.4	123.2	123.2	123.2	0.0	123.2	0.0	123.2	123.2	0.0	123.2	0.0
41												
42 Hazardous/ Health & Safety	83,014.1	66,702.4	70,531.5	70,531.5	0.0	70,531.5	0.0	75,646.0	75,646.0	0.0	75,646.0	0.0
43 H&S Testing and Balancing	0.0	0.0	0.0	0.0	0.0	2,468.2	2,468.2	0.0	0.0	0.0	1,811.1	0.0
44 H&S Levy Correction, ISD 829, Waseca	0.0	0.0	0.0	(596.0)	(596.0)	(596.0)	(596.0)	0.0	70.0	70.0	70.0	0.0
45 Alternative Facilities H&S	4,953.8	6,496.9	7,276.6	7,276.6	0.0	7,276.6	0.0	8,149.7	8,149.7	0.0	8,149.7	0.0
46 Alternative Facilities H&S Debt Aid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
47 Alternative Facilities	59,227.3	56,466.5	71,658.7	71,658.7	0.0	71,658.7	0.0	79,541.2	79,541.2	0.0	79,541.2	0.0
48 Alternative Facilities Aid	(2,828.8)	(2,829.8)	(2,829.8)	(2,829.8)	0.0	(2,829.8)	0.0	(2,829.8)	(2,829.8)	0.0	(2,829.8)	0.0

Handout #1

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49	Alternative Facilities Debt Aid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
50	Disabled Access	326.0	465.6	450.0	450.0	450.0	0.0	400.0	400.0	0.0	400.0	0.0	
51	Fund Transfer, ISD 118, Northland Community Schools	0.0	0.0	0.0	0.0	197.0	197.0	0.0	0.0	0.0	0.0	0.0	
52	Fund Transfer, ISD 601, Fosston	0.0	0.0	0.0	0.0	80.0	80.0	0.0	0.0	0.0	0.0	0.0	
53	Fund Transfer, ISD 242, Alden-Conger	0.0	0.0	0.0	0.0	36.5	36.5	0.0	0.0	0.0	0.0	0.0	
54	Fund Transfer, ISD 634, Milroy	0.0	0.0	0.0	0.0	29.0	29.0	0.0	0.0	0.0	0.0	0.0	
55	Fund Transfer, ISD 2396, ACGC	0.0	0.0	0.0	0.0	203.0	203.0	0.0	0.0	0.0	0.0	0.0	
56	Building Lease	35,652.0	39,989.4	41,429.0	41,429.0	41,429.0	0.0	42,879.0	42,879.0	0.0	42,879.0	0.0	
57	Deferred Maintenance	0.0	0.0	24,231.3	24,231.3	24,231.3	0.0	25,638.4	25,638.4	0.0	25,638.4	0.0	
58													
59	Historic Building	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
60	Capital Projects Refer/Facilities Down Payment	21,076.8	25,349.5	26,849.5	26,849.5	26,849.5	0.0	28,000.0	28,000.0	0.0	28,000.0	0.0	
61	Interactive TV / Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
62	Technology	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
63	Other Capital	39.0	56.0	39.0	39.0	39.0	0.0	39.0	39.0	0.0	39.0	0.0	
64	Fund Transfer, ISD 409, Tyler	0.0	0.0	0.0	0.0	(451.0)	(451.0)	0.0	0.0	0.0	0.0	0.0	
65													
66	Last Year General Education Adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
67	Last Year Transition, Equity, Op Cap Adjustment	(2,011.3)	3,114.9	3,381.2	3,381.2	0.0	3,381.2	0.0	0.0	0.0	0.0	0.0	
68	FY 2006, Transition 4 Y.O PreK Levy Adjustment	0.0	0.0	0.0	3,270.7	3,270.7	0.0	0.0	0.0	0.0	0.0	0.0	
69	FY 2007, Transition 4 Y.O PreK Levy Adjustment	0.0	0.0	0.0	3,521.2	3,521.2	0.0	0.0	0.0	0.0	0.0	0.0	
70	Last Year Alternative Compensation Adjustment	0.0	0.0	9,678.1	9,612.9	(65.2)	9,678.1	0.0	0.0	0.0	0.0	0.0	
68	Last Year Supplemental & Referendum Adjust	(286.3)	4,219.8	8,705.0	8,705.0	0.0	8,705.0	0.0	0.0	0.0	0.0	0.0	
69	Alternative Compensation -- Catch Up	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
70	Last Year Integration Adjustment	(60.9)	559.9	819.5	819.5	0.0	819.5	0.0	0.0	0.0	0.0	0.0	
71	Career & Technical Adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
72	Special Education Adjustment -- Final Data	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
73	Debt Surplus Transfer Adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
74	Final Health & Safety Adjustment	(787.6)	(1,299.4)	(1,000.0)	(1,000.0)	0.0	(1,000.0)	0.0	(800.0)	(800.0)	0.0	(800.0)	
75	2nd Prior Year Health & Safety Adjustment	(1,215.4)	(770.1)	(600.0)	(600.0)	0.0	(600.0)	0.0	(600.0)	(600.0)	0.0	(600.0)	
76	Last Year Health & Safety Adjustment	(16,354.4)	(9,281.9)	(8,000.0)	(8,000.0)	0.0	(8,000.0)	0.0	(7,000.0)	(7,000.0)	0.0	(7,000.0)	
77	Other Capital Limit Adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
78	Other General Limit Adjustment	75.8	(2,591.3)	4,792.8	4,792.8	0.0	4,792.8	0.0	4,565.5	4,565.5	0.0	4,565.5	
79													
80	Abatement Adjustment-Initial	2,645.4	3,391.8	3,397.5	3,397.5	0.0	3,397.5	0.0	3,350.7	3,350.7	0.0	3,350.7	
81	Abatement Change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
82	Abatement Interest	32.1	35.5	36.2	36.2	0.0	36.2	0.0	36.9	36.9	0.0	36.9	
83	Abatement Final Adjustment	(112.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
84	Abatement Carryover	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
85	Abatement Advance	279.8	(324.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
86	Net Offset Adjustment	356.1	(489.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
87													
88	Total -- General Fund	754,464.3	947,455.8	1,147,566.3	1,156,316.4	8,750.1	1,092,463.8	(55,102.5)	1,261,557.8	1,264,318.3	2,760.5	1,202,761.8	(58,796.0)
89													
90	COMMUNITY SERVICE FUND												
91													
92	Basic Community Education	35,000.5	36,378.0	37,565.4	37,565.4	0.0	37,565.4	0.0	38,429.2	38,429.2	0.0	38,429.2	0.0
93	Early Childhood Family Education	22,120.1	22,147.5	22,135.0	22,135.0	0.0	22,132.0	(3.0)	22,135.0	22,135.0	0.0	22,140.0	5.0
94	ECFE Home Visiting	539.1	553.0	564.6	564.6	0.0	564.6	0.0	570.2	570.2	0.0	570.2	0.0

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95 Community Education Grandfather	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
96 School Age Care/Extended Day	8,893.3	9,668.1	14,171.0	14,171.0	0.0	14,171.0	0.0	15,967.0	15,967.0	0.0	15,967.0	0.0
97 Adults with Disabilities	670.0	670.0	670.0	670.0	0.0	670.0	0.0	670.0	670.0	0.0	670.0	0.0
98 Other Community Ed	51.7	56.8	56.8	56.8	0.0	56.8	0.0	56.8	56.8	0.0	56.8	0.0
99												
100 Limit Adjustment	1,023.6	647.2	1,798.9	1,798.9	0.0	1,798.9	0.0	2,237.2	2,237.2	0.0	2,237.2	0.0
101 Community Education Excess Fund Balance	(879.3)	(682.5)	(478.0)	(478.0)	0.0	(478.0)	0.0	(248.0)	(248.0)	0.0	(248.0)	0.0
102 ECFE Excess Fund Balance	(360.6)	(269.7)	(370.0)	(370.0)	0.0	(370.0)	0.0	(163.0)	(163.0)	0.0	(163.0)	0.0
103 Abatement Levy	120.6	153.7	243.8	243.8	0.0	243.8	0.0	262.8	262.8	0.0	262.8	0.0
104 Abatement Interest	2.5	2.9	3.0	3.0	0.0	3.0	0.0	3.1	3.1	0.0	3.1	0.0
105 Abatement Final Adjustment	(29.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
106 Carry-Over Abatement Adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
107 Advance Abatement Adjustment	(0.9)	(21.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
108 Net Offset Adjustment	(95.3)	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
109												
110 Total -- Community Service Fund	67,055.8	69,305.5	76,360.5	76,360.5	0.0	76,357.5	(3.0)	79,920.3	79,920.3	0.0	79,925.3	5.0
111												
112 DEBT SERVICE FUND												
113												
114 Basic Debt Levy or Max Effort	581,797.6	608,861.8	626,345.0	626,345.0	0.0	626,345.0	0.0	643,464.3	643,464.3	0.0	643,464.3	0.0
115 Debt Equalization (Fund 7)	(25,050.8)	(17,672.4)	(20,218.1)	(20,218.1)	0.0	(20,218.1)	0.0	(15,640.9)	(15,640.9)	0.0	(15,640.9)	0.0
116 Debt Service, First Tier at \$5,000	0.0	0.0	0.0	0.0	0.0	(4,426.1)	(4,426.1)	0.0	0.0	0.0	(1,297.4)	(1,297.4)
117 Additional Maximum Effort	2,217.7	920.3	850.0	850.0	0.0	850.0	0.0	800.0	800.0	0.0	800.0	0.0
118												
119 Ice Arena Construction Deficit Levy, ISD 256, Red Wing	0.0	0.0	0.0	0.0	0.0	158.0	158.0	0.0	0.0	0.0	0.0	0.0
120 Fund Transfer, ISD 623, Roseville	0.0	0.0	0.0	0.0	0.0	90.0	90.0	0.0	0.0	0.0	0.0	0.0
121 Fund Transfer, ISD 750, Rocori	0.0	0.0	0.0	0.0	0.0	65.0	65.0	0.0	0.0	0.0	70.0	70.0
122 Fund Transfer, ISD 463, Eden Valley - Watkins	0.0	0.0	0.0	0.0	0.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0
123 Fund Transfer, ISD 2396, ACGC	0.0	0.0	0.0	0.0	0.0	32.5	32.5	0.0	0.0	0.0	52.0	52.0
124 Fund Transfer, ISD 347, Willmar	0.0	0.0	0.0	0.0	0.0	128.5	128.5	0.0	0.0	0.0	206.5	206.5
125 Fund Transfer, ISD 345, New London - Spicer	0.0	0.0	0.0	0.0	0.0	105.2	105.2	0.0	0.0	0.0	44.8	44.8
126												
127 Energy Loan	1,725.6	468.7	450.0	450.0	0.0	450.0	0.0	400.0	400.0	0.0	400.0	0.0
128 Lease Purchase (Fund 7)	38,401.8	34,664.2	35,164.0	35,164.0	0.0	35,164.0	0.0	35,000.0	35,000.0	0.0	35,000.0	0.0
129 Alternative Facilities Health and Safety Offset	8,222.8	15,064.9	18,083.9	18,083.9	0.0	18,083.9	0.0	20,796.5	20,796.5	0.0	20,796.5	0.0
130 Alternative Facilities Debt	57,922.3	63,029.8	64,952.1	64,952.1	0.0	64,952.1	0.0	68,346.8	68,346.8	0.0	68,346.8	0.0
131 Alternative Facilities Debt Aid (Fund 7)	(17,279.0)	(17,279.0)	(17,279.0)	(17,279.0)	0.0	(17,279.0)	0.0	(17,279.0)	(17,279.0)	0.0	(17,279.0)	0.0
132 Adjustment for Alternative Aid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
133 Adjust for Taconite on Bonds	(5,086.1)	(4,911.3)	(4,900.0)	(4,900.0)	0.0	(4,900.0)	0.0	(4,900.0)	(4,900.0)	0.0	(4,900.0)	0.0
134												
135 Facilities	6,683.2	5,706.4	5,800.0	5,800.0	0.0	5,800.0	0.0	6,000.0	6,000.0	0.0	6,000.0	0.0
136 Equipment	42.1	746.6	750.0	750.0	0.0	750.0	0.0	750.0	750.0	0.0	750.0	0.0
137 Secondary Cooperative Facilities Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
138												
139 Limit Adjustment	(481.0)	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
140 Abatement Levy	2,641.4	2,868.6	3,091.5	3,091.5	0.0	3,091.5	0.0	3,147.5	3,147.5	0.0	3,147.5	0.0
141 Abatement Interest	23.2	29.6	30.2	30.2	0.0	30.2	0.0	30.8	30.8	0.0	30.8	0.0
142 Abatement Final Adjustment	(142.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
143 Reconcile for Abatements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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144	0.0	12.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
145	(23.6)	(222.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
146	0.0	(4.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
147	(24,562.6)	(25,159.8)	(24,500.0)	(24,500.0)	0.0	(24,500.0)	0.0	(24,500.0)	(24,500.0)	0.0	(24,500.0)	0.0
149	627,052.5	667,130.5	688,619.6	688,619.6	0.0	684,822.7	(3,796.9)	716,416.0	716,416.0	0.0	715,491.9	(924.1)
151												
152	1,448,572.6	1,683,891.8	1,912,546.4	1,921,296.5	8,750.1	1,853,644.1	(58,902.3)	2,057,894.1	2,060,654.6	2,760.5	1,998,179.0	(59,715.1)
154	821,520.1	1,016,761.3	1,223,926.8	1,232,676.9	8,750.1	1,168,821.3	(55,105.5)	1,341,478.1	1,344,238.6	2,760.5	1,282,687.1	(58,791.0)
155	627,052.5	667,130.5	688,619.6	688,619.6	0.0	684,822.7	(3,796.9)	716,416.0	716,416.0	0.0	715,491.9	(924.1)
157	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
159	1,448,572.8	1,683,891.8	1,912,546.4	1,921,296.5	8,750.1	1,853,644.1	(58,902.3)	2,057,894.1	2,060,654.6	2,760.5	1,998,179.0	(59,715.1)
160	82,871.0	235,319.0	228,654.6	(3,475.4)	-0.2%	(71,127.8)	-3.7%	145,347.7	139,358.1	7.3%	144,534.9	7.8%
161	6.1%	16.2%	13.6%					7.6%				
163												
164	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
165	9.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
166	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
167	58,749.0	58,959.0	56,468.0	56,468.0	0.0	56,468.0	0.0	53,776.0	53,776.0	0.0	53,776.0	0.0
168	5,296.0	5,545.0	5,545.0	5,545.0	0.0	5,545.0	0.0	5,545.0	5,545.0	0.0	5,545.0	0.0
169	8,774.0	9,394.0	9,427.0	9,427.0	0.0	9,427.0	0.0	9,461.0	9,461.0	0.0	9,461.0	0.0
170	72,828.0	73,898.0	71,440.0	71,440.0	0.0	71,440.0	0.0	68,782.0	68,782.0	0.0	68,782.0	0.0
172	1,375,744.8	1,609,993.8	1,841,106.4	1,849,856.5	8,750.1	1,782,204.1	(58,902.3)	1,989,112.1	1,991,872.6	2,760.5	1,929,397.0	(59,715.1)
173	92,435.0	234,249.0	231,112.6	40.6	0.0%	(67,611.8)	-3.7%	148,005.7	142,016.1	7.7%	147,192.9	8.3%
174	7.2%	17.0%	14.4%					8.0%				
176				8,750		(58,902)			2,761		(59,715)	
177				0.5%		-3.2%			0.1%		-3.0%	
180	1,308,688.8	1,540,688.3	1,764,745.9	1,773,496.0	8,750.1	1,705,846.6	(58,899.3)	1,909,191.8	1,911,952.3	2,760.5	1,849,471.7	(59,720.1)
181	85,590.7	231,999.5	224,057.6	(6,711.5)	-0.4%	(74,360.9)	-4.2%	144,445.9	138,456.3	7.8%	143,625.1	8.4%
182	7.0%	17.7%	14.5%					8.2%				
184				8,750		(58,899)			2,761		(59,720)	
185				0.5%		-3.3%			0.1%		-3.1%	
187	*Does not include taconite adjustments											

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April 11, 2006

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Line#	Bill #	Author	List	Fund	FY 2006	FY 2007	FY 2006-07	FY 2008	FY 2009	FY 2008-09
1	ONE-TIME GENERAL FUND FUNDING									
2										
3	3550	Pogemiller	Passed	GF	Standard Deduction Married - Retroactive to Tax Year 2005	0	(33,200)	(33,200)	0	0
4	3550	Pogemiller	Passed	GF	Administrative Cost		(680)	(680)	0	0
5	3550	Pogemiller	Passed	GF	Federal Conformity - Energy, Gulf Opportunity Zone, Katrina	(5,190)	0	(5,190)	0	0
6		Pogemiller		GF	Aid to Counties - Targeted Case Management Aid	0	(60,000)	(60,000)	0	0
7		Pogemiller		GF	Local Government Aid One-Time Adjustments	(26,033)	(52,067)	(78,100)	0	0
8	3698	Wiger	C 2006	GF	Reinstate Cuts in Market Value Credit	0	(16,645)	(16,645)	0	0
9	DV0017	Skoe	C 2006	GF	Mahnomen County Temporary County and City Aids	0	(600)	(600)	0	0
10	3180	Higgins	C 2006		Voting Equipment	0	(2,275)	(2,275)	0	0
11		Stumpf	2005	GF	Thief River Falls Retroactive Exemption for Arena Construction	0	(350)	(350)	0	0
12					One-Time Spending - Subtotal	(31,223)	(165,817)	(197,040)	0	0
13										
14										

Handout #2

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April 11, 2006

Dollars in Thousands					Senate	Senate	Senate	Senate	Senate	Senate
Line#	Bill #	Author	List	Fund	FY 2006	FY 2007	FY 2006-07	FY 2008	FY 2009	FY 2008-09
15										
16	GENERAL FUND REVENUES AND RESOURCES									
17	3716	Pogemiller	A 2006	GF	0	160,600	160,600	123,200	122,600	245,800
18		Pogemiller		GF	0	43,700	43,700	110,900	172,800	283,700
19	3550	Pogemiller	Passed	GF	0	5,660	5,660	3,905	8,790	12,695
20				GF	0	44,000	44,000	44,000	44,000	88,000
21				GF	31,223	126,204	157,427	0	0	0
22	Total Change in Revenues				31,223	380,164	411,387	282,005	348,190	630,195
23										
24	GENERAL FUND EXPENDITURES									
25										
26	Individ. Income & Corporate Franchise Tax									
27	2208	Cohen	C 2006	GF	0	(3,100)	(3,100)	(3,200)	(3,400)	(6,600)
28					0	(4,100)	(4,100)	(8,600)	0	(8,600)
29	1659	Pogemiller	2005	GF	0	(4,100)	(4,100)	(5,500)	(6,400)	(11,900)
30	2862	Sams	C 2006	GF	0	(4,795)	(4,795)	(5,323)	(5,851)	(11,174)
31	3437	Kubly	C 2006	GF	0	0	0	(125)	(138)	(263)
32	383	Marty	2005	GF	0	75	75	75	75	150
33	DV0029	Skoe	C 2006	GF	0	(390)	(390)	(390)	0	(390)
34										
35										
36										
37	Corporate Franchise Tax									
38	2795	Moua	C 2006	GF	0	(400)	(400)	(400)	(400)	(800)
39										
40										
41	Sales and Use Tax									
42	3690	Pogemiller	C 2006	GF	0	(220)	(220)	(245)	(250)	(495)
43	3754	Saxhaug	C 2006	GF	0	(319)	(319)	(64)	0	(64)
44	3332	Rest	A 2006	GF	0	500	500	1,900	600	2,500
45	DV0018	Betzold	C 2006	GF	0	(900)	(900)	(7,500)	0	(7,500)
46	DV0019	Betzold	C 2006	GF	0	0	0	0	(25)	(25)
47	3723	Moua	C 2006	GF	0	(1,500)	(1,500)	(1,500)	(1,500)	(3,000)
48	DV0023 3728	Bonoff	A 2006	GF						

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April 11, 2006

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Line#	Bill #	Author	List	Fund	FY 2006	FY 2007	FY 2006-07	FY 2008	FY 2009	FY 2008-09	
49	DV0026	Marty	C 2006		0	(75)	(75)	(75)	(75)	(150)	
50	2900	Marty	C 2006	GF	0	(10)	(10)	(20)	(35)	(55)	
51											
52											
53											
54	3309	Frederickson	A 2006	GF	0	0	0	0	(20)	(20)	
55	3578	Moua	A 2006	GF	0	0	0	(33)	(33)	(66)	
56	3187	Murphy	C 2006	GF	0	0	0	390	410	800	
57	3320	Pogemiller		GF	0	0	0	0	(50)	(50)	
58	2592	Vickerman	A 2006	GF	0	0	0	(340)	(400)	(740)	
59	2896	Dibble	B 2006	GF	0	(120)	(120)	0	0	0	
60											
61											
62											
63		Pogemiller / Stumpf	C 2006	GF	0	0	0	(51,363)	(60,316)	(111,679)	
64		Pogemiller / Stumpf	C 2006	GF	0	0	0	(6,736)	(6,172)	(12,908)	
65		Pogemiller / Stumpf		GF	0	0	0	(2,593)	(2,259)	(4,852)	
66											
67											
68											
69		Pogemiller	C 2006	GF	0	0	0	(58,000)	(60,000)	(118,000)	
70	3257	Moua		GF	0	0	0	15	15	30	
71	3257	Moua		GF	0	0	0	75	75	150	
72	3062	Marko	C 2006	GF	0	0	0	(50)	(50)	(100)	
73	DV0031	Limmer	C 2006	GF	0	0	0	(89)	(89)	(178)	
74		Rudd	C 2006	GF	0	(2,500)	(2,500)	0	0	0	
75		Koering	C 2006	GF	0	(2,500)	(2,500)	0	0	0	
76		Pogemiller		GF	0	(122)	0	0	0	0	
77											
78											
79	GENERAL TAX FUND EXPENDITURES					0	(24,576)	(24,576)	(149,691)	(146,288)	(295,579)
80											

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April 11, 2006

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Line#	Bill #	Author	List	Fund	FY 2006	FY 2007	FY 2006-07	FY 2008	FY 2009	FY 2008-09
81	Deed Tax									
82	3516	Cohen	C 2006	GF	0	62,700	62,700	61,200	61,300	122,500
83	3516	Cohen	C 2006	GF	0	(62,700)	(62,700)	(61,200)	(61,300)	(122,500)
84										
85	Mining Occupation Tax									
86	3456	Bakk	A 2006	GF	0	(550)	(550)	(910)	(910)	(1,820)
87				MMMTC	0	550	550	910	910	1,820
88										
89	Misc.									
90	2941	Rest	C 2006							
94										
96										
97										
98										
99	OTHER FUNDS									
100										
101	Highway User Tax Distribution Fund									
102	3455	Bakk	C 2006	HUTDF	0	(630)	(630)	(640)	(650)	(1,290)
103	3455	Bakk	C 2006	NRF	0	630	630	640	650	1,290
104										
105	Health Care Access Fund									
106	DV0033	Betzold	C 2006	MCAF	0	0	0	(2,500)	(2,500)	(5,000)
107										
108	Taconite Environmental Protection Fund									
109	DV0039	Tomassoni	C 2006	TEPF	0	0	0	0	0	0
110										
111										
112										
113	ITEMS WITH NON-MONETARY OR NEGLIGIBLE FINANCIAL IMPACT									
114										
115	3633	Pogemiller			0	0	0	neg.	neg.	neg.
116	3131	Pogemiller			0	0	0	0	0	0
117	RE2017	DJ Johnson	A 2006		??					
118	DV0025	Pogemiller	A 2006		??					
119	CS0012	Bakk			0	0	0	0	0	0
120	AZ61-507	Bakk			0	0	0	0	0	0
121										
122	Property Tax									

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Line#	Bill #	Author	List	Fund	FY 2006	FY 2007	FY 2006-07	FY 2008	FY 2009	FY 2008-09
123	3625	Pogemiller	A 2006	GF	Property tax statements content requirements modified to include targeting refund notice	0	0	0	0	0
124	3061	Bakk	B 2006	GF	Homestead Classification for Absent Military Personnel	0	0	0	0	0
125	3089	Murphy	A 2006	GF	Modify Property Tax abatement process for electric generating facilities	0	0	0	0	0
126	2507	Murphy	A 2006	GF	Electric and transmission pipeline utilities property tax valuation rules effective date	0	0	0	0 Unk.	
127	3497	Pogemiller	A 2006	GF	Register Relative Homesteads	0	0	0	0	0
128	2570	Saxhaug	A 2006	GF	Property Tax Exemption for Electric Generating Facility	0	0	0	0	0
129										
130	Mortgage Registry / Deed Taxes									
131	2481	Rest	A 2006		Extend sunset on mortgage registry and deed taxes for Hennepin and Ramsy counties to 2013	0	0	0	0	0
132	DV0037	Betzold	B 2006		Authorize Dakota and Anoka counties to impose a mortgage registry and deed tax	0	0	0	0	0
133										
134	Local Sales and Use Taxes									
135	2546	Solon	A 2006		Duluth increase current sales tax rate on food and beverages	0	0	0	0	0
136	DV0034	Bakk	A 2006		Hermantown change termination	0	0	0	0	0
137			2005		Proctor			0		0
138	3733	Kierlin	A 2006		Winona	0	0	0	0	0
139	2590 A1	Vickerman	A 2006		Worthington election extension	0	0	0	0	0
140	2901	Sparks	A 2006		Austin	0	0	0	0	0
141	3218	Koering	B 2006		Baxter	0	0	0	0	0
142	2768	Koering	B 2006		Brainerd for waste water, bridge and trails	0	0	0	0	0
143	3423	Ruud	A 2006		Breezy Point Sales and Vehicle Excise Tax	0	0	0	0	0
144	2482	Lourey	A 2006		Cloquet	0	0	0	0	0
145	3624	Bakk	B 2006		Ely Sales Tax of up to a 1.0%	0	0	0	0	0
146	2590	Vickerman	B 2006		Luverne Sales and Vehicle Excise Tax	0	0	0	0	0
147	3426	Day	A 2006		Medford Sales Tax	0	0	0	0	0
148	3010	Hottinger	B 2006		North Mankato to impose a 0.5% sales and use tax.	0	0	0	0	0
149	2536	Day	A 2006		Owatona	0	0	0	0	0
150			2005		Park Rapids	0	0	0	0	0
151										
152	Tax Increment Financing									
153	3186	Skoe	B 2006		Modifying definition of small cities	0	0	0	0	0
154	DV0038	Marty	A 2006		TIF Provision Limiting Administrative Expenses	0	0	0	0	0
155	2748	Belanger	A 2006		Burnsville TIF	0	0	0	0	0
156	3729	Jungbauer	B 2006		Ramsey TIF	0	0	0	0	0
157			B 2006		Detroit Lakes TIF	0	0	0	0	0
158	3745	Pogemiller	A 2006		Minneapolis TIF	0	0	0	0	0

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Line#	Bill #	Author	List	Fund	FY 2006	FY 2007	FY 2006-07	FY 2008	FY 2009	FY 2008-09
159	3758	Belanger	B 2006		0	0	0	0	0	0
160	DV0041	Chaudhary	A 2006		0	0	0	0	0	0
161										
162	Aggregate Materials Tax									
163	2377	Rudd	A 2006		0	0	0	0	0	0
164										
165	Misc.									
166	3729	Jungbauer	B 2006		0	0	0	0	0	0
167	3646	Kiscaden	A 2006		0	0	0	0	0	0
168	PUB-2	Dille								
169										

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Line#	Bill #	Author	List	Fund	FY 2006	FY 2007	FY 2006-07	FY 2008	FY 2009	FY 2008-09
170										
171	PERMANENT GENERAL FUND FUNDING									
172										
173	Federal Conformity									
174										
175	3550	Pogemiller	Passed	GF						
					Energy Tax Incentives Act of 2005					
175	3550	Pogemiller	Passed	GF	(560)	(60)	(600)	0	40	40
176	3550	Pogemiller	Passed	GF	(40)	(1,900)	(1,940)	(3,000)	(3,740)	(6,740)
177	3550	Pogemiller	Passed	GF						
					Corporate Franchise Tax					
177	3550	Pogemiller	Passed	GF	(600)	(1,960)	(2,560)	(3,000)	(3,700)	(6,700)
					Total					
178										
					Gulf Opportunity Zone Act of 2005					
179	3550	Pogemiller	Passed	GF	(85)	(140)	(225)	(50)	10	(40)
180	3550	Pogemiller	Passed	GF	(300)	(410)	(710)	(200)	(20)	(220)
181	3550	Pogemiller	Passed	GF						
					Total					
181	3550	Pogemiller	Passed	GF	(385)	(550)	(935)	(250)	(10)	(260)
182										
					Katrina Emergency Tax Relief Act of 2005					
183	3550	Pogemiller	Passed	GF	(3,885)	90	(3,795)	65	0	65
184	3550	Pogemiller	Passed	GF	(320)	(120)	(440)	(10)	0	(10)
185	3550	Pogemiller	Passed	GF						
					Total					
185	3550	Pogemiller	Passed	GF	(4,205)	(30)	(4,235)	55	0	55
186										
					Federal Conformity - Subtotal					
186					(5,190)	(2,540)	(7,730)	(3,195)	(3,710)	(6,905)
187										
188	3550	Pogemiller	Passed	GF	0	(28,700)	(28,700)	(14,800)	(6,500)	(21,300)
189	3550	Pogemiller	Passed	GF	0	(33,200)	(33,200)	0	0	0
190										
191	Adjustments to AMT & Brackets									
192	3550	Pogemiller	Passed	GF	0	(28,500)	(28,500)	(33,100)	(37,600)	(70,700)
193	3550	Pogemiller	Passed	GF	0	(12,500)	(12,500)	(14,800)	(16,600)	(31,400)
194	3550	Pogemiller	Passed	GF	0	65,400	65,400	54,900	56,400	111,300
195										
					Income Averaging Adjustment for Top Bracket					
195					0	(1,400)	(1,400)	(1,400)	(1,500)	(2,900)
196	3550	Pogemiller	Passed	GF	0	11,800	11,800	14,100	15,900	30,000
197										
					Repeal Exclusion of Deferred Compensation for Nonresidents					
197	3550	Pogemiller	Passed	GF	0	2,100	2,100	2,200	2,400	4,600
198	Total Changes to Tax Revenues				(5,190)	(27,540)	(32,730)	3,905	8,790	12,695
199										
200	3550	Pogemiller	Passed	GF	0	33,200	33,200	0	0	0
					Transfer from Tax Relief Account: for Retroactive Stan. Ded. Married Filers					
201	3550	Pogemiller	Passed	GF						
					Administrative Costs of \$680,000 from Tax Relief Acct.					
202	3550	Pogemiller	Passed	GF	5,190	0	5,190	0	0	0
203	Net Change in General Fund -- SF3550				0	5,660	5,660	3,905	8,790	12,695

A

1.1 Senator moves to amend the Income Tax Article as follows:

1.2 Page 5, line 31, ~~delete "A" and insert "Cattle tuberculosis"~~ and delete "A
1.3 taxpayer" and insert "An owner of cattle in Minnesota"

1.4 Page 5, line 33, delete everything after "conduct" and insert "tuberculosis testing on
1.5 those cattle."