

STATE OF MINNESOTA

EIGHTY-THIRD SESSION — 2003

 TWENTY-THIRD DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 10, 2003

The House of Representatives convened at 3:00 p.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Scott Hagen, Chaplain, United States Army Reserve and ordained minister from Our Savior's Lutheran Church, Faribault, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	DeLaForest	Heidgerken	Larson	Otto	Stang
Abrams	Demmer	Hilstrom	Latz	Ozment	Strachan
Adolphson	Dempsey	Hilty	Lenczewski	Paulsen	Sykora
Anderson, B.	Dill	Holberg	Lesch	Paymar	Thao
Anderson, I.	Dorman	Hoppe	Lieder	Pelowski	Thissen
Anderson, J.	Dorn	Hornstein	Lindner	Penas	Tingelstad
Atkins	Eastlund	Howes	Lipman	Peterson	Urdahl
Beard	Eken	Jacobson	Magnus	Powell	Vandever
Bernardy	Ellison	Jaros	Mahoney	Pugh	Wagenius
Biernat	Entenza	Johnson, J.	Mariani	Rhodes	Walker
Blaine	Erhardt	Johnson, S.	Marquart	Ruth	Walz
Borrell	Erickson	Juhnke	McNamara	Samuelson	Wardlow
Boudreau	Finstad	Kahn	Mullery	Seagren	Wasiluk
Bradley	Fuller	Kelliher	Nelson, C.	Seifert	Westerberg
Brod	Gerlach	Kielkucki	Nelson, M.	Sertich	Westrom
Buesgens	Goodwin	Klinzing	Nelson, P.	Severson	Wilkin
Carlson	Greiling	Knoblach	Nornes	Sieben	Zellers
Clark	Gunther	Koenen	Olsen, S.	Simpson	Spk. Sviggum
Cornish	Haas	Kohls	Olson, M.	Slawik	
Cox	Hackbarth	Krinkie	Opatz	Smith	
Davids	Harder	Kuisle	Osterman	Soderstrom	
Davnie	Hausman	Lanning	Otremba	Solberg	

A quorum was present.

Huntley, Lindgren, Meslow, Murphy, Rukavina and Swenson were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Dill moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 30 and H. F. No. 534, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Seifert moved that the rules be so far suspended that S. F. No. 30 be substituted for H. F. No. 534 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 61 and H. F. No. 64, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Seifert moved that S. F. No. 61 be substituted for H. F. No. 64 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Gunther from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 3, A bill for an act relating to economic development; authorizing the establishing of tax-free zones; providing tax exemptions for individuals and business entities in tax-free zones; providing for repayment of tax benefits under certain circumstances; providing for the payment of state aid; appropriating money; amending Minnesota Statutes 2002, sections 272.02, by adding a subdivision; 290.01, subdivisions 19b, 29; 290.091, subdivision 2; 290.0921, subdivision 3; 290.0922, subdivision 3; 297A.68, by adding a subdivision; 297B.03; proposing coding for new law in Minnesota Statutes, chapters 469; 477A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 272.02, is amended by adding a subdivision to read:

Subd. 56. [JOB OPPORTUNITY BUILDING ZONE PROPERTY.] (a) Improvements to real property, and personal property, classified under section 273.13, subdivision 24, and located within a job opportunity building zone are exempt from ad valorem taxes levied under chapter 275.

(b) Improvements to real property, and tangible personal property, of an agricultural production facility located within an agricultural processing facility zone is exempt from ad valorem taxes levied under chapter 275.

(c) For property to qualify for exemption under paragraph (a), the occupant must be a qualified business, as defined in section 469.310.

(d) The exemption applies beginning for the first assessment year after designation of the job opportunity building zone by the commissioner of trade and economic development. The exemption applies to each assessment year that begins during the duration of the job opportunity building zone. This exemption does not apply to:

(1) the levy under section 475.61 or similar levy provisions under any other law to pay general obligation bonds, if the bonds were issued before the date of designation of the job opportunity building zone; or

(2) a levy under section 126C.17, if the levy was approved by the voters before the designation of the job opportunity building zone.

[EFFECTIVE DATE.] This section is effective beginning for property taxes assessed in 2004, payable in 2005.

Sec. 2. Minnesota Statutes 2002, section 272.029, is amended by adding a subdivision to read:

Subd. 7. [EXEMPTION.] The tax imposed under this section does not apply to electricity produced by wind energy conversion systems located in a job opportunity building zone, designated under section 469.314, for the period of the zone designation. The exemption applies beginning for the first calendar year after designation of the zone and applies to each calendar year that begins during the designation of the zone.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2002, section 290.01, subdivision 19b, is amended to read:

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

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

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

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

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

(6) to the extent not deducted in determining federal taxable income or used to claim the long-term care insurance credit under section 290.0672, the amount paid for health insurance of self-employed individuals as determined under section 162(l) of the Internal Revenue Code, except that the percent limit does not apply. If the individual deducted insurance payments under section 213 of the Internal Revenue Code of 1986, the subtraction under this clause must be reduced by the lesser of:

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

(ii) the lesser of (A) the amount of insurance qualifying as "medical care" under section 213(d) of the Internal Revenue Code to the extent not deducted under section 162(1) of the Internal Revenue Code or excluded from income or (B) the total amount deductible for medical care under section 213(a);

(7) the exemption amount allowed under Laws 1995, chapter 255, article 3, section 2, subdivision 3;

(8) to the extent included in federal taxable income, postservice benefits for youth community service under section 124D.42 for volunteer service under United States Code, title 42, sections 12601 to 12604;

(9) to the extent not deducted in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code over \$500;

(10) for taxable years beginning before January 1, 2008, the amount of the federal small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code which is included in gross income under section 87 of the Internal Revenue Code;

(11) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit; ~~and~~

(12) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero; and

(13) job opportunity building zone income as provided under section 469.316.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2003.

Sec. 4. Minnesota Statutes 2002, section 290.01, subdivision 29, is amended to read:

Subd. 29. [TAXABLE INCOME.] The term "taxable income" means:

(1) for individuals, estates, and trusts, the same as taxable net income;

(2) for corporations, the taxable net income less

- (i) the net operating loss deduction under section 290.095; ~~and~~
- (ii) the dividends received deduction under section 290.21, subdivision 4; and
- (iii) the exemption for operating in a job opportunity building zone under section 469.317.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2003.

Sec. 5. Minnesota Statutes 2002, section 290.06, subdivision 2c, is amended to read:

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

- (1) On the first \$25,680, 5.35 percent;
- (2) On all over \$25,680, but not over \$102,030, 7.05 percent;
- (3) On all over \$102,030, 7.85 percent.

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

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

- (1) On the first \$17,570, 5.35 percent;
- (2) On all over \$17,570, but not over \$57,710, 7.05 percent;
- (3) On all over \$57,710, 7.85 percent.

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

- (1) On the first \$21,630, 5.35 percent;
- (2) On all over \$21,630, but not over \$86,910, 7.05 percent;
- (3) On all over \$86,910, 7.85 percent.

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

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

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by the additions required under section 290.01, subdivision 19a, clauses (1) and (6), and reduced by the subtraction under section 290.01, subdivision 19b, clause (13), and the Minnesota assignable portion of the subtraction for United States government interest under section 290.01, subdivision 19b, clause (1), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1) and (6), and reduced by the amounts specified in section 290.01, subdivision 19b, ~~clause~~ clauses (1) and (13).

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2003.

Sec. 6. Minnesota Statutes 2002, section 290.06, is amended by adding a subdivision to read:

Subd. 29. [JOB OPPORTUNITY BUILDING ZONE JOB CREDIT.] A taxpayer that is a qualified business, as defined in section 469.310, subdivision 11, is allowed a credit as determined under section 469.318 against the tax imposed by this chapter.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 7. Minnesota Statutes 2002, section 290.067, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] (a) A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code subject to the limitations provided in subdivision 2 except that in determining whether the child qualified as a dependent, income received as a Minnesota family investment program grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer, and the provisions of section 32(b)(1)(D) of the Internal Revenue Code do not apply.

(b) If a child who has not attained the age of six years at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but has not attained the age of six years at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care.

(c) If a married couple:

(1) has a child who has not attained the age of one year at the close of the taxable year;

(2) files a joint tax return for the taxable year; and

(3) does not participate in a dependent care assistance program as defined in section 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i) the combined earned income of the couple or (ii) the amount of the

maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code will be deemed to be the employment related expense paid for that child. The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These deemed amounts apply regardless of whether any employment-related expenses have been paid.

(d) If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

In the case of a nonresident, part-year resident, or a person who has earned income not subject to tax under this chapter including earned income excluded pursuant to section 290.01, subdivision 19b, clause (13), the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2003.

Sec. 8. Minnesota Statutes 2002, section 290.0671, subdivision 1, is amended to read:

Subdivision 1. [CREDIT ALLOWED.] (a) An individual is allowed a credit against the tax imposed by this chapter equal to a percentage of earned income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the Internal Revenue Code.

(b) For individuals with no qualifying children, the credit equals 1.9125 percent of the first \$4,620 of earned income. The credit is reduced by 1.9125 percent of earned income or modified adjusted gross income, whichever is greater, in excess of \$5,770, but in no case is the credit less than zero.

(c) For individuals with one qualifying child, the credit equals 8.5 percent of the first \$6,920 of earned income and 8.5 percent of earned income over \$12,080 but less than \$13,450. The credit is reduced by 5.73 percent of earned income or modified adjusted gross income, whichever is greater, in excess of \$15,080, but in no case is the credit less than zero.

(d) For individuals with two or more qualifying children, the credit equals ten percent of the first \$9,720 of earned income and 20 percent of earned income over \$14,860 but less than \$16,800. The credit is reduced by 10.3 percent of earned income or modified adjusted gross income, whichever is greater, in excess of \$17,890, but in no case is the credit less than zero.

(e) For a nonresident or part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

(f) For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter including income excluded under section 290.01, subdivision 19b, clause (13), the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income.

(g) For tax years beginning after December 31, 2001, and before December 31, 2004, the \$5,770 in paragraph (b) is increased to \$6,770, the \$15,080 in paragraph (c) is increased to \$16,080, and the \$17,890 in paragraph (d) is increased to \$18,890 for married taxpayers filing joint returns.

(h) For tax years beginning after December 31, 2004, and before December 31, 2007, the \$5,770 in paragraph (b) is increased to \$7,770, the \$15,080 in paragraph (c) is increased to \$17,080, and the \$17,890 in paragraph (d) is increased to \$19,890 for married taxpayers filing joint returns.

(i) For tax years beginning after December 31, 2007, and before December 31, 2010, the \$5,770 in paragraph (b) is increased to \$8,770, the \$15,080 in paragraph (c) is increased to \$18,080 and the \$17,890 in paragraph (d) is increased to \$20,890 for married taxpayers filing joint returns.

(j) The commissioner shall construct tables showing the amount of the credit at various income levels and make them available to taxpayers. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transition between income brackets.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2003.

Sec. 9. Minnesota Statutes 2002, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code to the extent that the deduction exceeds 1.3 percent of adjusted gross income, as defined in section 62 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a disabled person;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); and

(6) the amount of addition required by section 290.01, subdivision 19a, clause (7);

less the sum of the amounts determined under the following:

(1) interest income as defined in section 290.01, subdivision 19b, clause (1);

(2) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2), to the extent included in federal alternative minimum taxable income;

(3) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income; and

(4) amounts subtracted from federal taxable income as provided by section 290.01, subdivision 19b, ~~clause~~ clauses (12) and (13).

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Tentative minimum tax" equals 6.4 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Net minimum tax" means the minimum tax imposed by this section.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2003.

Sec. 10. Minnesota Statutes 2002, section 290.0921, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE MINIMUM TAXABLE INCOME.] "Alternative minimum taxable income" is Minnesota net income as defined in section 290.01, subdivision 19, and includes the adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f), and (h) of the Internal Revenue Code. If a corporation files a separate company Minnesota tax return, the minimum tax must be computed on a separate company basis. If a corporation is part of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis. The following adjustments must be made.

(1) For purposes of the depreciation adjustments under section 56(a)(1) and 56(g)(4)(A) of the Internal Revenue Code, the basis for depreciable property placed in service in a taxable year beginning before January 1, 1990, is the adjusted basis for federal income tax purposes, including any modification made in a taxable year under section 290.01, subdivision 19e, or Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c).

For taxable years beginning after December 31, 2000, the amount of any remaining modification made under section 290.01, subdivision 19e, or Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c), not previously deducted is a depreciation allowance in the first taxable year after December 31, 2000.

(2) The portion of the depreciation deduction allowed for federal income tax purposes under section 168(k) of the Internal Revenue Code that is required as an addition under section 290.01, subdivision 19c, clause (16), is disallowed in determining alternative minimum taxable income.

(3) The subtraction for depreciation allowed under section 290.01, subdivision 19d, clause (19), is allowed as a depreciation deduction in determining alternative minimum taxable income.

(4) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d) of the Internal Revenue Code does not apply.

(5) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal Revenue Code does not apply.

(6) The special rule for dividends from section 936 companies under section 56(g)(4)(C)(iii) does not apply.

(7) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code does not apply.

(8) The tax preference for intangible drilling costs under section 57(a)(2) of the Internal Revenue Code must be calculated without regard to subparagraph (E) and the subtraction under section 290.01, subdivision 19d, clause (4).

(9) The tax preference for tax exempt interest under section 57(a)(5) of the Internal Revenue Code does not apply.

(10) The tax preference for charitable contributions of appreciated property under section 57(a)(6) of the Internal Revenue Code does not apply.

(11) For purposes of calculating the tax preference for accelerated depreciation or amortization on certain property placed in service before January 1, 1987, under section 57(a)(7) of the Internal Revenue Code, the deduction allowable for the taxable year is the deduction allowed under section 290.01, subdivision 19e.

For taxable years beginning after December 31, 2000, the amount of any remaining modification made under section 290.01, subdivision 19e, not previously deducted is a depreciation or amortization allowance in the first taxable year after December 31, 2004.

(12) For purposes of calculating the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable income as defined in this subdivision, determined without regard to the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code.

(13) For purposes of determining the amount of adjusted current earnings under section 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4) of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up subtracted as provided in section 290.01, subdivision 19d, clause (1), (ii) the amount of refunds of income, excise, or franchise taxes subtracted as provided in section 290.01, subdivision 19d, clause (10), or (iii) the amount of royalties, fees or other like income subtracted as provided in section 290.01, subdivision 19d, clause (11).

(14) Alternative minimum taxable income excludes the income from operating in a job opportunity building zone as provided under section 469.317.

Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2003.

Sec. 11. Minnesota Statutes 2002, section 290.0922, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] (a) "Minnesota sales or receipts" means the total sales apportioned to Minnesota pursuant to section 290.191, subdivision 5, the total receipts attributed to Minnesota pursuant to section 290.191, subdivisions 6 to 8, and/or the total sales or receipts apportioned or attributed to Minnesota pursuant to any other apportionment formula applicable to the taxpayer.

(b) "Minnesota property" means total Minnesota tangible property as provided in section 290.191, subdivisions 9 to 11, and any other tangible property located in Minnesota, but does not include property located in a job opportunity building zone designated under section 469.314. Intangible property shall not be included in Minnesota property for purposes of this section. Taxpayers who do not utilize tangible property to apportion income shall nevertheless include Minnesota property for purposes of this section. On a return for a short taxable year, the amount of Minnesota property owned, as determined under section 290.191, shall be included in Minnesota property based on a fraction in which the numerator is the number of days in the short taxable year and the denominator is 365.

(c) "Minnesota payrolls" means total Minnesota payrolls as provided in section 290.191, subdivision 12, but does not include job opportunity building zone payrolls under section 468.310, subdivision 8. Taxpayers who do not utilize payrolls to apportion income shall nevertheless include Minnesota payrolls for purposes of this section.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2003.

Sec. 12. Minnesota Statutes 2002, section 297A.68, is amended by adding a subdivision to read:

Subd. 37. [JOB OPPORTUNITY BUILDING ZONES.] (a) Purchases of tangible personal property or taxable services by a qualified business, as defined in section 469.310, are exempt if the property or services are primarily used or consumed in a job opportunity building zone designated under section 469.314.

(b) Purchase and use of construction materials and supplies for construction of improvements to real property in a job opportunity building zone are exempt if the improvements after completion of construction are to be used in the conduct of a qualified business, as defined in section 469.310. This exemption applies regardless of whether the purchases are made by the business or a contractor.

(c) The exemptions under this subdivision apply to a local sales and use tax regardless of whether the local sales tax is imposed on the sales taxable as defined under this chapter.

(d) This subdivision applies to sales made during the duration of the designation of the zone.

[EFFECTIVE DATE.] This section is effective for sales made on or after the day following final enactment.

Sec. 13. Minnesota Statutes 2002, section 297B.03, is amended to read:

297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.67, subdivision 11;

(2) purchase or use of any motor vehicle by any person who was a resident of another state or country at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota and the motor vehicle was registered in the person's name in the other state or country;

(3) purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.90;

(4) purchase or use of any motor vehicle previously registered in the state of Minnesota when such transfer constitutes a transfer within the meaning of section 118, 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal Revenue Code of 1986, as amended through December 31, 1999;

(5) purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota based private or for hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales tax or sales tax on motor vehicles used in interstate commerce;

(6) purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution. "Automotive training programs" includes motor vehicle body and mechanical repair courses but does not include driver education programs;

(7) purchase of a motor vehicle for use as an ambulance by an ambulance service licensed under section 144E.10;

(8) purchase of a motor vehicle by or for a public library, as defined in section 134.001, subdivision 2, as a bookmobile or library delivery vehicle;

(9) purchase of a ready-mixed concrete truck;

(10) purchase or use of a motor vehicle by a town for use exclusively for road maintenance, including snowplows and dump trucks, but not including automobiles, vans, or pickup trucks;

(11) purchase or use of a motor vehicle by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, except a public school, university, or library, but only if the vehicle is:

(i) a truck, as defined in section 168.011, a bus, as defined in section 168.011, or a passenger automobile, as defined in section 168.011, if the automobile is designed and used for carrying more than nine persons including the driver; and

(ii) intended to be used primarily to transport tangible personal property or individuals, other than employees, to whom the organization provides service in performing its charitable, religious, or educational purpose;

(12) purchase of a motor vehicle for use by a transit provider exclusively to provide transit service is exempt if the transit provider is either (i) receiving financial assistance or reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29, 473.388, or 473.405;

(13) purchase or use of a motor vehicle by a qualified business, as defined in section 469.310, located in a job opportunity building zone, if the motor vehicle is principally garaged in the job opportunity building zone and is primarily used as part of or in direct support of the person's operations carried on in the job opportunity building zone. The exemption under this clause also applies to any local sales and use tax.

[EFFECTIVE DATE.] This section is effective for sales made after December 31, 2003.

Sec. 14. [469.310] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 469.310 to 469.320, the following terms have the meanings given.

Subd. 2. [AGRICULTURAL PROCESSING FACILITY.] "Agricultural processing facility" means one or more facilities or operations that transform, package, sort, or grade livestock or livestock products, agricultural commodities, or plants or plant products into goods that are used for intermediate or final consumption including goods for nonfood use, and surrounding property.

Subd. 3. [APPLICANT.] "Applicant" means a local government unit or units applying for designation of an area as a job opportunity building zone or a joint powers board, established under section 471.59, acting on behalf of two or more local government units.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of trade and economic development.

Subd. 5. [DEVELOPMENT PLAN.] "Development plan" means a plan meeting the requirements of section 469.311.

Subd. 6. [JOB OPPORTUNITY BUILDING ZONE OR ZONE.] "Job opportunity building zone" or "zone" means a zone designated by the commissioner under section 469.314, and includes an agricultural processing facility zone.

Subd. 7. [JOB OPPORTUNITY BUILDING ZONE PERCENTAGE OR ZONE PERCENTAGE.] "Job opportunity building zone percentage" or "zone percentage" means the following fraction reduced to a percentage:

(1) the numerator of the fraction is:

(i) the ratio of the taxpayer's property factor under section 290.191 located in the zone for the taxable year over the property factor numerator determined under section 290.191, plus

(ii) the ratio of the taxpayer's job opportunity building zone payroll factor under subdivision 8 over the payroll factor numerator determined under section 290.191; and

(2) the denominator of the fraction is two.

When calculating the zone percentage for a business that is part of a unitary business as defined under section 290.17, subdivision 4, the denominator of the payroll and property factors is the Minnesota payroll and property of the unitary business as reported on the combined report under section 290.17, subdivision 4, paragraph (j).

Subd. 8. [JOB OPPORTUNITY BUILDING ZONE PAYROLL FACTOR.] "Job opportunity building zone payroll factor" or "job opportunity building zone payroll" is that portion of the payroll factor under section 290.191 that represents:

(1) wages or salaries paid to an individual for services performed in a job opportunity building zone; or

(2) wages or salaries paid to individuals working from offices within a job opportunity building zone if their employment requires them to work outside the zone and the work is incidental to the work performed by the individual within the zone.

Subd. 9. [LOCAL GOVERNMENT UNIT.] "Local government unit" means a statutory or home rule charter city, county, town, or school district.

Subd. 10. [PERSON.] "Person" includes an individual, corporation, partnership, limited liability company, association, or any other entity.

Subd. 11. [QUALIFIED BUSINESS.] (a) "Qualified business" means a person carrying on a trade or business at a place of business located within a job opportunity building zone.

(b) A person that relocates a trade or business from outside a job opportunity building zone into a zone is not a qualified business, unless the business:

(1)(i) increases full-time employment in the first full year of operation within the job opportunity building zone by at least 20 percent measured relative to the operations that were relocated; or

(ii) makes a capital investment in the property located within a zone equivalent to ten percent of the gross revenues of operation that were relocated in the immediately preceding taxable year; and

(2) enters a binding written agreement with the commissioner that:

(i) pledges the business will meet the requirements of clause (1);

(ii) provides for repayment of all tax benefits enumerated under section 469.315 to the business under the procedures in section 469.319, if the requirements of clause (1) are not met; and

(iii) contains any other terms the commissioner determines appropriate.

Subd. 12. [RELOCATES.] (a) "Relocates" means that the trade or business:

(1) ceases one or more operations or functions at another location in Minnesota and begins performing substantially the same operations or functions at a location in a job opportunity building zone; or

(2) reduces employment at another location in Minnesota during a period starting one year before and ending one year after it begins operations in a job opportunity building zone and its employees in the job opportunity building zone are engaged in the same line of business as the employees at the location where it reduced employment.

(b) "Relocate" does not include an expansion by a business that establishes a new facility that does not replace or supplant an existing operation or employment, in whole or in part.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 15. [469.311] [DEVELOPMENT PLAN.]

(a) An applicant for designation of a job opportunity building zone must adopt a written development plan for the zone before submitting the application to the commissioner.

(b) The development plan must contain, at least, the following:

(1) a map of the proposed zone that indicates the geographic boundaries of the zone, the total area, and present use and conditions generally of the land and structures within those boundaries;

(2) evidence of community support and commitment from local government, local workforce investment boards, school districts, and other education institutions, business groups, and the public;

(3) a description of the methods proposed to increase economic opportunity and expansion, facilitate infrastructure improvement, reduce the local regulatory burden, and identify job-training opportunities;

(4) current social, economic, and demographic characteristics of the proposed zone and anticipated improvements in education, health, human services, and employment if the zone is created;

(5) a description of anticipated activity in the zone and each subzone, including, but not limited to, industrial use, industrial site reuse, commercial or retail use, and residential use; and

(6) any other information required by the commissioner.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 16. [469.312] [JOB OPPORTUNITY BUILDING ZONES; LIMITATIONS.]

Subdivision 1. [MAXIMUM SIZE.] A job opportunity building zone may not exceed 5,000 acres. For a zone designated as an agricultural processing facility zone, the zone also may not exceed the size of a site necessary for the agricultural processing facility, including ancillary operations and space for expansion in the reasonably foreseeable future.

Subd. 2. [SUBZONES.] The area of a job opportunity building zone may consist of one or more noncontiguous areas or subzones.

Subd. 3. [OUTSIDE METROPOLITAN AREA.] The area of a job opportunity building zone must be located outside of the metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 4. [BORDER CITY DEVELOPMENT ZONES.] (a) The area of a job opportunity building zone may not include the area of a border city development zone designated under section 469.1731. The city may remove property from a border city development zone contingent upon the area being designated as a job opportunity building zone. Before removing a parcel of property from a border city development zone, the city must obtain the written consent to the removal from each recipient that is located on the parcel and receives incentives under the border city development zone. Consent of any other property owner or taxpayer in the border city development zone is not required.

(b) A city may not provide tax incentives under section 469.1734 to individuals or businesses for operations or activity in a job opportunity building zone.

Subd. 5. [DURATION LIMIT.] The maximum duration of a zone is 12 years. The applicant may request a shorter duration. The commissioner may specify a shorter duration, regardless of the requested duration.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 17. [469.313] [APPLICATION FOR DESIGNATION.]

Subdivision 1. [WHO MAY APPLY.] One or more local government units, or a joint powers board under section 471.59, acting on behalf of two or more units, may apply for designation of an area as a job opportunity building zone. All or part of the area proposed for designation as a zone must be located within the boundaries of each of the governmental units. A local government unit may not submit or have submitted on its behalf more than one application for designation of a job opportunity building zone.

Subd. 2. [APPLICATION CONTENT.] The application must include:

(1) a development plan meeting the requirements of section 469.311;

(2) the proposed duration of the zone, not to exceed 12 years;

(3) a resolution or ordinance adopted by each of the cities or towns and the counties in which the zone is located, agreeing to provide all of the local tax exemptions provided under section 469.315;

(4) if the proposed zone includes area in a border city development zone, written consent to removal of the property from the border city development zone to the extent required by section 469.312, subdivision 4; and

(5) supporting evidence to allow the commissioner to evaluate the application under the criteria in section 469.314.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 18. [469.314] [DESIGNATION OF JOB OPPORTUNITY BUILDING ZONES.]

Subdivision 1. [COMMISSIONER TO DESIGNATE.] (a) The commissioner, in consultation with the commissioner of revenue and the director of the office of strategic and long-range planning, shall designate not more than ten job opportunity building zones. In making the designations, the commissioner shall consider need and likelihood of success to yield the most economic development and revitalization of economically distressed rural areas of Minnesota.

(b) In addition to the designations under paragraph (a), the commissioner may, in consultation with the commissioners of agriculture and revenue, designate up to five agricultural processing facility zones.

(c) The commissioner may, upon designation of a zone, modify the development plan, including the boundaries of the zone or subzones, if in the commissioner's opinion a modified plan would better meet the objectives of the job opportunity building zone program. The commissioner shall notify the applicant of the modification and provide a statement of the reasons for the modifications.

Subd. 2. [NEED INDICATORS.] (a) In evaluating applications to determine the need for designation of a job opportunity building zone, the commissioner shall consider the following factors as indicators of need:

(1) the percentage of the population that is below 200 percent of the poverty rate, compared with the state as a whole;

(2) the extent to which the area's average weekly wage is significantly lower than the state average weekly wage;

(3) the amount of property in or near the proposed zone that is deteriorated or underutilized;

(4) the extent to which the median sale price of housing units in the area is below the state median;

(5) the extent to which the median household income of the area is lower than the state median household income;

(6) the extent to which the area experienced a population loss during the 20-year period ending the year before the application is made;

(7) the extent to which an area has experienced sudden or severe job loss as a result of closing of businesses or other employers;

(8) the extent to which property in the area would remain underdeveloped or nonperforming due to physical characteristics;

(9) the extent to which the area has substantial real property with adequate infrastructure and energy to support new or expanded development; and

(10) the extent to which the business startup or expansion rates are significantly lower than the respective rate for the state.

(b) In applying the need indicators, the best available data should be used. If reported data are not available for the proposed zone, data for the smallest area that is available and includes the area of the proposed zone may be used. The commissioner may require applicants to provide data to demonstrate how the area meets one or more of the indicators of need.

Subd. 3. [SUCCESS INDICATORS.] In determining the likelihood of success of a proposed zone, the commissioner shall consider:

(1) the strength and viability of the proposed development goals, objectives, and strategies in the development plan;

(2) whether the development plan is creative and innovative in comparison to other applications;

(3) local public and private commitment to development of the proposed zone and the potential cooperation of surrounding communities;

(4) existing resources available to the proposed zone;

(5) how the designation of the zone would relate to other economic and community development projects and to regional initiatives or programs;

(6) how the regulatory burden will be eased for businesses operating in the proposed zone;

(7) proposals to establish and link job creation and job training; and

(8) the extent to which the development is directed at encouraging and that designation of the zone is likely to result in the creation of high-paying jobs.

Subd. 4. [DESIGNATION SCHEDULE.] (a) The schedule in paragraphs (b) to (e) applies to the designation of job opportunity building zones.

(b) The commissioner shall publish the form for applications and any procedural, form, or content requirements for applications by no later than August 1, 2003. The commissioner may publish these requirements on the Internet, in the State Register, or by any other means the commissioner determines appropriate to disseminate the information to potential applicants for designation.

(c) Applications must be submitted by October 15, 2003.

(d) The commissioner shall designate the zones by no later than December 31, 2003.

(e) The designation of the zones takes effect January 1, 2004.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 19. [469.315] [TAX INCENTIVES AVAILABLE IN ZONES.]

Qualified businesses that operate in a job opportunity building zone, individuals who invest in a qualified business that operates in a job opportunity building zone, and property located in a job opportunity building zone qualify for:

(1) exemption from individual income taxes as provided under section 469.316;

(2) exemption from corporate franchise taxes as provided under section 469.317;

(3) exemption from the state sales and use tax and any local sales and use taxes on qualifying purchases as provided in section 297A.68, subdivision 37;

(4) exemption from the state sales tax on motor vehicles and any local sales tax on motor vehicles as provided under section 297B.03;

(5) exemption from the property tax as provided in section 272.02, subdivision 56;

(6) exemption from the wind energy production tax under section 272.029, subdivision 7; and

(7) the jobs credit allowed under section 469.318.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 20. [469.316] [INDIVIDUAL INCOME TAX EXEMPTION.]

Subdivision 1. [APPLICATION.] An individual operating a trade or business in a job opportunity building zone, and an individual making a qualifying investment in a qualified business operating in a job opportunity building zone qualifies for the exemptions from taxes imposed under chapter 290, as provided in this section. The exemptions provided under this section apply only to the extent that the income otherwise would be taxable under chapter 290. Subtractions under this section from federal taxable income, alternative minimum taxable income, or any other base subject to tax are limited to the amount that otherwise would be included in the tax base absent the exemption under this section.

Subd. 2. [RENTS.] An individual is exempt from the taxes imposed under chapter 290 on net rents derived from real or tangible personal property located in a zone for a taxable year in which the zone was designated a job opportunity building zone. If tangible personal property was used both within and outside of the zone, the exemption amount for the net rental income must be multiplied by a fraction, the numerator of which is the number of days the property was used in the zone and the denominator of which is the total days.

Subd. 3. [BUSINESS INCOME.] An individual is exempt from the taxes imposed under chapter 290 on net income from the operation of a qualified business in a job opportunity building zone. If the trade or business is carried on within and without the zone and the individual is not a resident of Minnesota, the exemption must be apportioned based on the zone percentage for the taxable year. If the trade or business is carried on within and without the zone and the individual is a resident of Minnesota, the exemption must be apportioned based on the zone percentage for the taxable year, except the ratios under section 469.310, subdivision 7, clause (1), items (i) and (ii), must use the denominators of the property and payroll factors determined under section 290.191. No subtraction is allowed under this section in excess of 20 percent of the sum of the job opportunity building zone payroll and the adjusted basis of the property at the time that the property is first used in the job opportunity building zone by the business.

Subd. 4. [CAPITAL GAINS.] (a) An individual is exempt from the taxes imposed under chapter 290 on:

(1) net gain derived on a sale or exchange of real property located in the zone. If the property was held by the individual during a period when the zone was not designated, the gain must be prorated based on the percentage of time, measured in calendar days, that the real property was held by the individual during the period the zone designation was in effect to the total period of time the real property was held by the individual;

(2) net gain derived on a sale or exchange of tangible personal property used by a qualified business in the zone. If the property was held by the individual during a period when the zone was not designated, the gain must be prorated based on the percentage of time, measured in calendar days, that the property was held by the individual during the period the zone designation was in effect to the total period of time the property was held by the individual. If the tangible personal property was used outside of the zone during the period of the zone's designation, the exemption must be multiplied by a fraction, the numerator of which is the number of days the property was used in the zone during the time of the designation and the denominator of which is the total days the property was held during the time of the designation; and

(3) net gain derived on a sale of an ownership interest in a qualified business operating in the job opportunity building zone, meeting the requirements of paragraph (b). The exemption on the gain must be multiplied by the zone percentage of the business for the taxable year prior to the sale.

(b) A qualified business meets the requirements of paragraph (a), clause (3), if it is a corporation, an S corporation, or a partnership, and for the taxable year its job opportunity building zone percentage exceeds 25 percent. For purposes of paragraph (a), clause (3), the zone percentage must be calculated by modifying the ratios under section 469.310, subdivision 7, clause (1), items (i) and (ii), to use the denominators of the property and payroll factors determined under section 290.191. Upon the request of an individual holding an ownership interest in the entity, the entity must certify to the owner, in writing, the job opportunity building zone percentage needed to determine the exemption.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2003.

Sec. 21. [469.317] [CORPORATE FRANCHISE TAX EXEMPTION.]

(a) A qualified business is exempt from taxation under section 290.02, the alternative minimum tax under section 290.0921, and the minimum fee under section 290.0922, on the portion of its income attributable to operations within the zone. This exemption is determined as follows:

(1) for purposes of the tax imposed under section 290.02, by multiplying its taxable net income by its zone percentage and subtracting the result in determining taxable income;

(2) for purposes of the alternative minimum tax under section 290.0921, by multiplying its alternative minimum taxable income by its zone percentage and reducing alternative minimum taxable income by this amount; and

(3) for purposes of the minimum fee under section 290.0922, by excluding property and payroll in the zone from the computations of the fee.

(b) No subtraction is allowed under this section in excess of 20 percent of the sum of the corporation's job opportunity building zone payroll and the adjusted basis of the property at the time that the property is first used in the job opportunity building zone by the corporation.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2003.

Sec. 22. [469.318] [JOBS CREDIT.]

Subdivision 1. [CREDIT ALLOWED.] A qualified business is allowed a credit against the taxes imposed under chapter 290. The credit equals seven percent of the:

(1) lesser of:

(i) zone payroll for the taxable year, less the zone payroll for the base year; or

(ii) total Minnesota payroll for the taxable year, less total Minnesota payroll for the base year; minus

(2) \$30,000 multiplied by (the number of full-time equivalent employee positions that the qualified business employs in the job opportunity building zone for the taxable year, minus the number of full-time equivalent employees the business employed in the zone in the base year, but not less than zero).

Subd. 2. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Base year" means the taxable year beginning during the calendar year in which the commissioner designated the zone.

(c) "Full-time equivalent employee position" means the equivalent of annualized expected hours of work equal to 2,080 hours.

(d) "Minnesota payroll" means the wages or salaries attributed to Minnesota under section 290.191, subdivision 12, for the qualified business or the unitary business of which the qualified business is a part, whichever is greater.

(e) "Zone payroll" means wages or salaries used to determine the zone payroll factor for the qualified business.

Subd. 3. [INFLATION ADJUSTMENT.] For taxable years beginning after December 31, 2004, the dollar amount in subdivision 1, clause (2), is annually adjusted for inflation. The commissioner of revenue shall adjust the amount by the percentage determined under section 290.06, subdivision 2d, for the taxable year.

Subd. 4. [REFUNDABLE.] If the amount of the credit exceeds the liability for tax under chapter 290, the commissioner of revenue shall refund the excess to the qualified business.

Subd. 5. [APPROPRIATION.] An amount sufficient to pay the refunds authorized by this section is appropriated to the commissioner of revenue from the general fund.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 23. [469.319] [REPAYMENT OF TAX BENEFITS.]

Subdivision 1. [REPAYMENT OBLIGATION.] A business must repay the amount of the tax reduction received during the two years immediately before it ceased to operate in the zone, if the business:

(1) received tax reductions authorized by section 469.315;

(2) relocated into a job opportunity building zone after designation of the zone; and

(3) ceased to operate its facility located within the job opportunity building zone or otherwise ceases to be or is not a qualified business.

Subd. 2. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Business" means any person who received tax benefits enumerated in section 469.315.

(c) "Commissioner" means the commissioner of revenue.

Subd. 3. [DISPOSITION OR REPAYMENT.] The repayment must be paid to the state to the extent it represents a state tax reduction and to the county to the extent it represents a property tax reduction. Any amount repaid to the state must be deposited in the general fund. Any amount repaid to the county for the property tax exemption must be distributed to the local governments with authority to levy taxes in the zone in the same manner provided for distribution of payment of delinquent property taxes. Any repayment of local sales taxes must be repaid to the city or county imposing the local sales tax.

Subd. 4. [REPAYMENT PROCEDURES.] (a) For the repayment of taxes imposed under chapter 290 or 297A or local taxes collected pursuant to section 297A.99, a business must file an amended return with the commissioner of revenue and pay any taxes required to be repaid within 30 days after ceasing to do business in the zone. The amount required to be repaid is determined by calculating the tax for the period or periods for which repayment is required without regard to the exemptions and credits allowed under section 469.315.

(b) For the repayment of taxes imposed under chapter 297B, a business must pay any taxes required to be repaid to the motor vehicle registrar, as agent for the commissioner of revenue, within 30 days after ceasing to do business in the zone.

(c) For the repayment of property taxes, the county auditor shall prepare a tax statement for the business, applying the applicable tax extension rates for each payable year and provide a copy to the business. The business must pay the taxes to the county treasurer within 30 days after receipt of the tax statement.

(d) The provisions of chapters 270 and 289A relating to the commissioner's authority to audit, assess, and collect the tax and to hear appeals are applicable to the repayment required under paragraphs (a) and (b). The commissioner may impose civil penalties as provided in chapter 289A, and the additional tax and penalties are subject to interest at the rate provided in section 270.75, from 30 days after ceasing to do business in the job opportunity building zone until the date the tax is paid.

(e) If a property tax is not repaid under paragraph (c), the county treasurer shall add the amount required to be repaid to the property taxes assessed against the property for payment in the year following the year in which the treasurer discovers that the business ceased to operate in the job opportunity building zone.

(f) For determining the tax required to be repaid, a tax reduction is deemed to have been received on the date that the tax would have been due if the taxpayer had not been entitled to the exemption.

(g) The commissioner may assess the repayment of taxes under paragraph (d) any time within two years after the business ceases to operate in the job opportunity building zone, or within any period of limitations for the assessment of tax under section 289A.38, whichever period is later.

Subd. 5. [WAIVER AUTHORITY.] The commissioner may waive all or part of a repayment, if the commissioner, in consultation with the commissioner of trade and economic development and appropriate officials from the local government units in which the qualified business is located, determines that requiring repayment of the tax is not in the best interest of the state or the local government units and the business ceased operating as a result of circumstances beyond its control including, but not limited to:

- (1) a natural disaster;
- (2) unforeseen industry trends; or
- (3) loss of a major supplier or customer.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 24. [469.320] [ZONE PERFORMANCE; REMEDIES.]

Subdivision 1. [REPORTING REQUIREMENT.] An applicant receiving designation of a job opportunity building zone under section 469.314 must annually report to the commissioner on its progress in meeting the zone performance goals under the development plan for the zone.

Subd. 2. [PROCEDURES.] For reports required by subdivision 1, the commissioner may prescribe:

- (1) the required time or times by which the reports must be filed;
- (2) the form of the report; and
- (3) the information required to be included in the report.

Subd. 3. [REMEDIES.] If the commissioner determines, based on a report filed under subdivision 1 or other available information, that a zone or subzone is failing to meet its performance goals, the commissioner may take any actions the commissioner determines appropriate, including modification of the boundaries of the zone or a subzone or termination of the zone or a subzone. Before taking any action, the commissioner shall consult with the applicant and the affected local government units, including notifying them of the proposed actions to be taken. The commissioner shall publish any order modifying a zone in the State Register and on the Internet. The applicant may appeal the commissioner's order under the contested case procedures of chapter 14.

Subd. 4. [EXISTING BUSINESSES.] An action to remove area from a zone or to terminate a zone under this section does not apply to:

- (1) the property tax on improvements constructed before the first January 2 following publication of the commissioner's order;
- (2) sales tax on purchases made before the first day of the next calendar month beginning at least 30 days after publication of the commissioner's order; and
- (3) individual income tax or corporate franchise tax attributable to a facility that was in operation before the publication of the commissioner's order.

Sec. 25. [477A.08] [JOB OPPORTUNITY BUILDING ZONE AID.]

Subdivision 1. [ELIGIBILITY.] (a) For each assessment year that the exemption for job opportunity building zone property is in effect under section 272.02, subdivision 56, the assessor shall determine the difference between the actual net tax capacity and the net tax capacity that would be determined for the job opportunity building zone if the exemption were not in effect.

(b) Each city and county is eligible for aid equal to one-half of:

(1) the amount by which the sum of the differences determined in paragraph (a) for the corresponding assessment year exceeds three percent of the city's or county's total taxable net tax capacity for taxes payable in 2003, multiplied by

(2) the city's or the county's, as applicable, average local tax rate for taxes payable in 2003.

Subd. 2. [CERTIFICATION.] The county assessor shall notify the commissioner of revenue of the amount determined under subdivision 1, paragraph (b), clause (1), for any city or county that qualifies for aid under this section by June 30 of the assessment year, in a form prescribed by the commissioner. The commissioner shall notify each city and county of its qualifying aid amount by August 15 of the assessment year.

Subd. 3. [APPROPRIATION; PAYMENT.] The commissioner shall pay each city and county its qualifying aid amount by July 20 of the following year. An amount sufficient to pay the aid under this section is appropriated to the commissioner of revenue from the general fund.

[EFFECTIVE DATE.] This section is effective beginning for aid based on property taxes assessed in 2004, payable in 2005.

Sec. 26. [APPROPRIATION; COST OF ADMINISTRATION.]

\$100,000 in fiscal year 2004 and \$30,000 in fiscal year 2005 are appropriated to the commissioner of trade and economic development for the cost of designating job opportunity building zones.

\$53,000 in fiscal year 2004 and \$29,000 in fiscal year 2005 are appropriated to the commissioner of revenue for the cost of administering the tax provisions of this act.

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

Delete the title and insert:

"A bill for an act relating to economic development; authorizing the establishing of job opportunity building zones; providing tax exemptions for individuals and business entities in the zones; providing for repayment of tax benefits under certain circumstances; providing for the payment of state aid; appropriating money; amending Minnesota Statutes 2002, sections 272.02, by adding a subdivision; 272.029, by adding a subdivision; 290.01, subdivisions 19b, 29; 290.06, subdivision 2c, by adding a subdivision; 290.067, subdivision 1; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 3; 290.0922, subdivision 3; 297A.68, by adding a subdivision; 297B.03; proposing coding for new law in Minnesota Statutes, chapter 469; 477A."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Hackbarth from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 208, A bill for an act relating to energy; providing that renewable energy sources include mixed municipal waste; amending Minnesota Statutes 2002, sections 216B.1691, subdivision 1; 216B.2422, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 20, insert:

"(c) For a generation facility that utilizes an eligible energy technology based on the combustion of fuel, electricity produced by the facility may only count toward an electric utility's renewable energy objectives under subdivision 2 if the facility:

(1) was constructed in compliance with new source performance standards promulgated under the federal Clean Air Act, United States Code, title 42, chapter 85, for a generation facility of that type; or

(2) employs the maximum achievable or best available control technology available for a generation facility of that type, identified by the federal Environmental Protection Agency pursuant to the Clean Air Act.

(d) A renewable energy source listed in paragraph (a) may be blended or co-fired with other fuels in a generation facility, but only the percentage of electricity that is attributable to the renewable energy source can be counted toward an electric utility's renewable energy objectives under subdivision 2. This percentage shall be calculated as the thermal content of the renewable energy source as a percentage of the overall thermal content of the blended fuel used to generate electricity."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sykora from the Committee on Education Policy to which was referred:

H. F. No. 218, A bill for an act relating to education; providing for a pilot project for the independent review of parental involvement programs; proposing coding for new law in Minnesota Statutes, chapter 124D.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PILOT PROJECT TO EVALUATE PARENT INVOLVEMENT POLICIES AND STRATEGIES.]

Subdivision 1. [DISTRICT AND SCHOOL SITE POLICY EVALUATION.] A school board may elect to participate in a two-year pilot project to evaluate parent involvement policies and strategies in the district and in school sites, with the goal of improving the academic achievement of all students within the district, including at-risk students. Participating districts and school sites must establish parent involvement review committees consistent with subdivision 2, and may adapt the parent involvement policy and process described in United States Code, title 20, section 6319, for purposes consistent with this project.

Subd. 2. [PARENT INVOLVEMENT REVIEW COMMITTEES.] A school board electing to participate and interested school sites within that district must establish a parent involvement review committee or expand the purview of an existing committee composed of a majority of parents. The committees must evaluate the effectiveness of district and school site programs and strategies intended to provide all parents with meaningful opportunities to participate in the process of educating students. The committees, among other things, may evaluate the operation of the instruction and curriculum advisory committee or building team under Minnesota Statutes,

section 120B.11, or parent involvement programs developed under Minnesota Statutes, section 124D.895. A majority of committee members must be parents of students enrolled in the district or school site, if applicable. The committee also must include teachers employed by the district and who teach at a school site, if applicable. A district must assist participating school sites at the request of the school site.

Subd. 3. [NOTICE OF PARTICIPATION; NOTICE TO PARENTS.] (a) A school board electing to participate under this section must notify the commissioner of children, families, and learning of its participation and the participation of interested school sites on a form supplied by the commissioner. The commissioner may assist participating districts and school sites at the request of the district or school site.

(b) Participating school districts must transmit timely effective notice of this project to parent organizations throughout the district and to parents of children enrolled in district schools.

Subd. 4. [REPORT.] Participating districts and school sites must report the findings of the evaluation and related recommendations annually by March 1 to the school board, which shall transmit a summary of the findings and recommendations to the commissioner. Information the commissioner receives under this subdivision may be used to modify guidelines and model plans for parent involvement programs under Minnesota Statutes, section 124D.895.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to the 2003-2004 and 2004-2005 school years."

Delete the title and insert:

"A bill for an act relating to education; providing for a pilot project for the independent review of parental involvement policies and strategies."

With the recommendation that when so amended the bill pass.

The report was adopted.

Holberg from the Committee on Civil Law to which was referred:

H. F. No. 327, A bill for an act relating to local government; shooting ranges; defining generally accepted operation practices; providing for relation to ordinances, closing and relocation, noise standards, public access, and nuisance liability; proposing coding for new law as Minnesota Statutes, chapter 87A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [87A.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 87A.01 to 87A.08.

Subd. 2. [PERSON.] "Person" means an individual, association, proprietorship, partnership, corporation, club, political subdivision, or other legal entity.

Subd. 3. [SHOOTING RANGE OR RANGE.] "Shooting range" or "range" means an area or facility designated or operated for the use of firearms, as defined in section 97A.015, subdivision 19, or archery, and includes shooting preserves as described in section 97A.115 or any other Minnesota law.

Subd. 4. [GENERALLY ACCEPTED OPERATION PRACTICES.] "Generally accepted operation practices" means those voluntary guidelines adopted by the commissioner of natural resources under section 87A.02 for the safe operation of shooting ranges.

Subd. 5. [UNIT OF GOVERNMENT.] "Unit of government" means a home rule charter or statutory city, county, town, municipal corporation, or other political subdivision, or any of their instrumentalities.

Sec. 2. [87A.02] [GENERALLY ACCEPTED OPERATION PRACTICES.]

The commissioner of natural resources must develop and adopt generally accepted operation practices for shooting ranges. In developing generally accepted operation practices, the commissioner must consult with range operators and any consultants the range operators provide. The practices must include the noise standards in section 87A.06. The practices must provide for operation of shooting preserves within their boundaries notwithstanding any discharge distance limitations provided by rule or otherwise concerning hunting on other land. The commissioner must review the generally accepted operation practices at least every five years and revise as the commissioner considers necessary for safe operation of a shooting range. The commissioner must adopt initial guidelines by July 1, 2003.

Sec. 3. [87A.03] [LOCAL ORDINANCES; EXISTING OPERATIONS.]

Subdivision 1. [COMPLIANT RANGES MAY CONTINUE OPERATING.] A shooting range that is in operation and is in substantial compliance with existing law at the time of the enactment of an ordinance of a unit of government affecting, directly or indirectly, operation or use of a shooting range must be permitted to continue in operation even if the operation of the shooting range at a later date does not conform to the new ordinance or an amendment to an existing ordinance.

Subd. 2. [COMPLIANT RANGES MAY REPAIR, REMODEL, REPLACE, EXPAND.] A shooting range that operates in substantial compliance with generally accepted operation practices, even if not in compliance with an ordinance of a unit of government affecting, directly or indirectly, operation or use of a shooting range, must be permitted to do all of the following within its geographic boundaries if done in accordance with generally accepted operation practices:

(1) repair, remodel, improve, replace, construct, or reinforce any conforming or nonconforming building or structure as may be necessary or desirable in the interest of safety or to secure the continued use of the range, building, or structure;

(2) reconstruct, repair, restore, remodel, improve, replace, or resume the use of any conforming or nonconforming building or structure damaged by fire, collapse, erosion, wear and tear, obsolescence, explosion, act of God, or act of war;

(3) expand or increase its membership or opportunities for public participation;

(4) make those repairs or improvements necessary or desirable under generally accepted operation practices;

(5) expand or increase events, facilities, and activities; and

(6) conduct shooting activities and discharge firearms between 7:00 a.m. and 10:00 p.m., which is "daytime" under Minnesota Rules, part 7030.0200, subpart 3, in effect on March 1, 1999.

Nothing in this subdivision exempts any newly constructed or remodeled building on a shooting range from compliance with fire safety, handicapped accessibility, elevator safety, bleacher safety, or other provisions of the State Building Code that have mandatory statewide application.

Sec. 4. [87A.04] [CLOSING OR RELOCATING SHOOTING RANGES; PAYMENT OF CERTAIN COSTS.]

Subdivision 1. [CLOSURE OR RELOCATION CRITERIA.] A shooting range either may be closed under subdivision 3, or relocated under subdivision 4, by a state agency or unit of government only if, because of new, permitted development of adjacent land, the range becomes a clear, immediate, and proven safety hazard to the adjacent population and it cannot be brought into compliance with generally accepted operation practices concerning range safety with range or operation improvements.

Subd. 2. [PROCEDURE.] The clear and immediate safety hazard must be proven at a declaratory judgment proceeding in district court. The plaintiff must provide in the complaint a clear and precise statement of the complete factual basis for alleging a safety hazard. The court must make written findings and conclusions as to the hazard alleged in the complaint and whether range improvements are available to bring the range into compliance with the generally accepted operation practices concerning range safety. If the court concludes that there is a clear and immediate safety hazard and the operation of the shooting range can be brought into compliance with the generally accepted operation practices concerning range safety with range or operation improvements, the state agency or unit of government that permitted the development must pay for the range or operation improvements.

Subd. 3. [CLOSURE.] If a clear and immediate safety hazard is proven as required under subdivisions 1 and 2, a shooting range may be closed by the state agency or the unit of government if the agency or unit of government closing the shooting range pays the fair market value of the range operation as a going concern to the operators and the fair market value of the land, including improvements, to the owner of the land.

Subd. 4. [RELOCATION.] If a clear and immediate safety hazard is proven as required under subdivisions 1 and 2, upon request by the operator of the shooting range, the agency or unit of government must relocate the shooting range to a suitable new location. The agency or unit of government may use its power of eminent domain to acquire the new location. If a range is relocated, the state agency or unit of government must pay the operator the fair market value of the range as a going concern and the owner the fair market value of the land and improvements, minus all reasonable, additional direct costs incurred by the state agency or unit of government in acquiring the new location and moving the range to the new site.

Subd. 5. [TRANSFER OF TITLE.] The shooting range owner and operator must transfer their interests in the property to the agency or unit of government after full and final payment under subdivision 3 or after the relocation is completed under subdivision 4.

Sec. 5. [87A.05] [NOISE BUFFERING OR ATTENUATION.]

(a) If a shooting range is operated in substantial compliance with generally accepted operation practices and if property located within one mile of the exterior property boundary of the range is rezoned or developed, the unit of government must provide for noise buffers, attenuation devices, safety improvements, or equivalent measures that are:

(1) within the new development as a condition for developing the property or as supplied by the unit of government; or

(2) supplied or funded by the unit of government for location in the range.

(b) Property owners, developers, units of government, and ranges may negotiate and provide for noise buffers or attenuation devices located on or off the range.

(c) Any noise buffering or attenuation under this section must comply with the noise standards prescribed by section 87A.06.

Sec. 6. [87A.06] [NOISE STANDARDS.]

Subdivision 1. [NOISE STANDARDS.] (a) A person who owns or operates or uses a shooting range in this state is subject only to the noise standards and procedures in Minnesota Rules, parts 7030.0010 to 7030.0080, in effect on March 1, 1999. The noise area classifications shall be utilized as well as the provisions for daytime and nighttime standards within those classifications. The steady state noise L10 and L50 standards for each period of the day or night within each noise area classification shall be replaced by a single Leq(h) standard for impulsive noise that is two dBA lower than that of the L10 level for steady state noise.

(b) This section and the standards in paragraph (a) shall be applied in the same manner as a generally accepted operation practice for all of the provisions of this chapter.

Subd. 2. [ACTIONS BASED ON NOISE.] Any action brought against a range on the basis of noise or disturbance by impulsive noise from a shooting range must be dismissed unless such action is initially supported by affidavit of a qualified or licensed noise consultant stating that noise measurements were taken by proper instruments, which were calibrated properly, and according to the procedures and standards in Minnesota Rules, parts 7030.0010 to 7030.0080.

Sec. 7. [87A.07] [NUISANCE ACTIONS; SUBSTANTIAL COMPLIANCE WITH GENERALLY ACCEPTED OPERATION PRACTICES.]

A person who owns, operates, or uses a shooting range in this state that is in substantial compliance with generally accepted operation practices is not subject to any action for nuisance and no court of this state may enjoin or restrain the use or operation of such a range. This section does not prohibit an action that seeks monetary damages for personal injury or tangible property damage caused by recklessness or negligence in the operation of the range or by a person using the range in a reckless or negligent manner.

Sec. 8. [87A.08] [PUBLIC ACCESS TO SHOOTING RANGES.]

Shooting ranges maintained or operated, in whole or in part, with public funds must be reasonably available for public use. A reasonable fee in an amount not to exceed the actual additional direct costs caused by public use may be charged.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Policy.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 361, A bill for an act relating to elections; providing procedures and criteria for calling special elections to fill vacancies in certain instances; amending Minnesota Statutes 2002, sections 365.52, subdivision 1, by adding a subdivision; 367.03, subdivision 6.

Reported the same back with the following amendments:

Page 1, line 15, strike the second comma

Page 2, line 3, delete the second comma

Page 2, line 7, after the period, insert "Where the town board or appointment committee fails to fill a vacancy in the position of an elected town official by appointment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 471, A bill for an act relating to elections; requiring primaries in certain school district elections; amending Minnesota Statutes 2002, section 205A.03, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 205A.03, subdivision 1, is amended to read:

Subdivision 1. ~~[RESOLUTION REQUIRED PRIMARY IN CERTAIN CIRCUMSTANCES.] The school board of a school district may, by resolution adopted by June 1 of any year, decide to choose nominees for school district elective offices by a primary as provided in subdivisions 1 to 6. The resolution, when adopted, is effective for all ensuing elections of board members in that school district until it is revoked. In a school district election, if there are more than two candidates for a specified school board position or more than twice as many school board candidates as there are at-large school board positions available, a school district must hold a primary.~~

Sec. 2. Minnesota Statutes 2002, section 205A.03, subdivision 3, is amended to read:

Subd. 3. ~~[CANDIDATES, FILING.] The clerk shall place upon the primary ballot without partisan designation the names of individuals whose candidacies have been filed and for whom the proper filing fee has been paid. When not more than twice the number of individuals to be elected to a school district elective office as many school board candidates as there are at-large school board positions available file for nomination for the office or when not more than two candidates for a specified school board position file for nomination for that office, their names must not be placed upon the primary ballot and must be placed on the school district general election ballot as the nominees for that office.~~

Sec. 3. Minnesota Statutes 2002, section 205A.03, subdivision 4, is amended to read:

Subd. 4. [RESULTS.] The school district primary must be conducted and the returns made in the manner provided for the state primary as far as practicable. Within two days after the primary, the school board of the school district shall canvass the returns, and the two candidates for each ~~office~~ specified school board position who receive the highest number of votes, or a number of candidates equal to twice the number of individuals to be elected to ~~the office at-large school board positions~~ who receive the highest number of votes, are the nominees for the office named. Their names must be certified to the school district clerk who shall place them on the school district general election ballot without partisan designation and without payment of an additional fee.

Sec. 4. Minnesota Statutes 2002, section 205A.06, subdivision 1a, is amended to read:

Subd. 1a. [FILING PERIOD.] ~~In school districts nominating candidates at a school district primary, Affidavits of candidacy may must be filed with the school district clerk no earlier than the 70th day and no later than the 56th day before the first Tuesday after the second Monday in September in the year when the school district general election is held. In all other school districts, affidavits of candidacy must be filed not more than 70 days and not less than 56 days before the school district general election.~~

Sec. 5. [EFFECTIVE DATE.]

(a) Sections 1 to 4 are effective the day following final enactment for independent school district No. 742.

(b) Sections 1 to 4 are effective January 1, 2004, for all other school districts and applies to school board elections held in 2004 and thereafter."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections" and delete "subdivision 1" and insert "subdivisions 1, 3, 4; 205A.06, subdivision 1a"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Education Policy.

The report was adopted.

Sykora from the Committee on Education Policy to which was referred:

H. F. No. 472, A bill for an act relating to education; providing for school districts to opt out of certain state mandates; proposing coding for new law as Minnesota Statutes, chapter 471B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [471B.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. [LOCAL GOVERNMENT INCLUDES A SCHOOL DISTRICT.] "Local government" includes a common, independent, or special school district and excludes charter schools.

Subd. 3. [STATE MANDATE.] "State mandate" means a state law or rule that is specifically directed at or related to local government structure, operation, services, programs, or financing that:

(1) imposes a cost on a local government, whether or not the state appropriates money for the local government to cover the costs, or authorizes the local government to impose a tax or fee to cover the costs;

(2) decreases revenue available to a local government without a commensurate decrease in services and programs required by the law or rule;

(3) establishes goals or policies a local government must follow;

(4) makes a local government, or its officers or employees, civilly or criminally liable for failure to follow or enforce the law or rule;

(5) restricts the ability of a local government to establish services, programs, policies, plans, or goals or restricts its ability to raise revenue or finance its services, programs, policies, plans, or goals; or

(6) implements or interprets federal law and, by its implementation or interpretation, increases or decreases program or service levels beyond the level required by federal law.

Sec. 2. [471B.02] [OPT-OUT PROPOSALS AND PROCEDURES.]

Subdivision 1. [LOCAL PROCEDURE.] (a) A school district may, by written resolution of the school board after public notice and hearing, propose that a state mandate imposed on school districts, except a state mandate under section 471B.03, should not apply to it. A school board also may include in a resolution recommendations for reforming a mandate. A school board must adopt a separate resolution for each mandate that it proposes should not apply to the district. The resolution must:

(1) specifically cite the state law or rule that imposes the mandate on the school district;

(2) identify the costs of complying with the mandate and the total amount of federal and state funds available for purposes of the mandate;

(3) state the reasons the school district wants to opt out of the state mandate and any recommendations for reforming the mandate to achieve greater efficiencies; and

(4) indicate how the school district will otherwise meet the objectives of the mandate or why the objectives do not apply to the school district.

(b) The school board must hold at least one public hearing on the proposed resolution and afford the public opportunity for comment. Before voting on the resolution, the school board must give adequate public notice of the proposed resolution, including information on whether state or federal funding for the school district might be adversely affected. The school board must encourage teachers and parents to participate in the hearing in order to determine the extent of public support for the proposed resolution.

(c) The proponent of the proposed resolution at least must identify at the hearing:

(1) the costs of complying with the mandate that exceed the state and federal funds allocated to the district for purposes of the mandate and recommend reforms for achieving greater efficiencies;

(2) any potential loss of state or federal revenue that might result from opting out of the state mandate; and

(3) other policy issues or effects that might result.

(d) A school district that adopts a resolution must file the resolution with the state auditor. At the time of filing, the school district must pay the state auditor a fee of \$75 per resolution to cover costs the state auditor incurs in performing the duties under this section. The state auditor must deposit the fees in the general fund. All fees collected under this section are appropriated to the state auditor for the purposes of this section. On July 1, 2003, and each July 1 thereafter, using the powers granted under chapter 6, the auditor must determine the actual cost of performing the duties under this section and adjust the amount of the fee to reflect the auditor's actual costs.

Subd. 2. [STATE PROCEDURE.] (a) The state auditor must:

(1) list on the state auditor's Web site all state mandates cited in a resolution filed with the state auditor, identifying for each mandate the school districts that have adopted and filed a resolution to opt out of a mandate, and whether the threshold under subdivision 3 for opting out has been met;

(2) keep a running total of the number and percent of school districts that have filed a resolution to opt out;

(3) notify the legislature and the school districts that have filed resolutions to opt out when the threshold under subdivision 3 for opting out has been met; and

(4) each year before the Minnesota Statutes or Minnesota Statutes Supplement is published, at a time determined by the revisor of statutes, provide to the revisor of statutes a list of all laws and rules that school districts may opt out, consistent with legislative action under subdivision 3.

(b) The revisor of statutes must:

(1) publish a list of the affected laws, rules, and school districts; and

(2) provide appropriate means, including cross-references, for the public to use the statutes and rules in the context of the list in clause (1).

Subd. 3. [THRESHOLD AND CERTIFICATION FOR OPTING OUT; LEGISLATIVE OVERSIGHT.] (a) The state auditor must notify the house and senate when the auditor certifies that ten percent or more of the school districts in the state have filed resolutions in accordance with the requirements of this chapter seeking to be relieved of a state mandate. The opt-out resolutions referred to in a notice delivered by the auditor to the legislature before the regular session convenes in any year are considered to be accepted for implementation under subdivision 4 when the legislature adjourns the regular session that year, unless the legislature by law has either forbidden implementation of the resolutions or amended the mandate to which they refer.

(b) The house of representatives and senate must adopt rules ensuring that bills to forbid implementation of the resolutions or to amend the mandate to which they refer are given a priority status and are presented to the house and senate for consideration and action by the body in a timely manner during the regular session that year.

Subd. 4. [OPT-OUT IMPLEMENTATION AND LATER OPTING OUT.] Opt-out resolutions accepted for implementation under subdivision 3 take effect 30 days after the adjournment of the regular session, and the mandate referred to in the resolutions ceases to apply to districts. After the initial opt-out resolutions take effect, other districts may file resolutions to opt out of the same mandate. Each of these takes effect 30 days after the auditor accepts the filing.

Sec. 3. [471B.03] [EXCEPTIONS.]

Subdivision 1. [SCOPE.] The state laws listed in this section are not subject to section 471B.02 and no school district may opt out of complying with them.

Subd. 2. [ELECTION LAW.] A school district may not opt out of Minnesota election law, as defined in section 200.01, and any other law governing elections.

Subd. 3. [ADMINISTRATION OF THE PROPERTY TAX SYSTEM.] A school district may not opt out of any laws governing administration of the property tax system, including provisions in chapters 270, 272, 273, 274, 275, 276, 276A, 277, 278, and 473F.

Subd. 4. [ACCOUNTING, FINANCIAL MANAGEMENT PROCEDURES; AUDIT REQUIREMENTS.] A school district may not opt out of any law governing the accounting, financial management, and audit requirements of school districts, including the accounting, expenditures, and budgeting required under sections 123B.76 and 123B.77. However, a school district may opt out of a state-mandated account or fund restriction, consistent with the requirements of this section.

Subd. 5. [NONPUBLIC STUDENTS.] A school district may not opt out of sections 123B.40 to 123B.48 governing the rights of nonpublic school students and other law related to nonpublic schools or students.

[EFFECTIVE DATE.] This section is effective for the 2003-2004 school year and later."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

Sykora from the Committee on Education Policy to which was referred:

H. F. No. 494, A bill for an act relating to education; allowing independent school district No. 709, Duluth, to reduce the number of at-large school board members.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 503, A bill for an act relating to elections; clarifying certain duties; amending Minnesota Statutes 2002, section 204D.04, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 504, A bill for an act relating to elections; limiting certain ballot questions; amending Minnesota Statutes 2002, section 205.10, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 539, A bill for an act relating to elections; campaign finance; prohibiting certain contributions and solicitations during special legislative sessions; amending Minnesota Statutes 2002, sections 10A.273, subdivisions 1, 2; 211A.14.

Reported the same back with the following amendments:

Page 2, after line 20, insert:

"Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 553, A bill for an act relating to towns; providing for optional election of certain officers; amending Minnesota Statutes 2002, sections 367.30, subdivisions 2, 4; 367.31, subdivision 4; 367.34; 367.36, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 27, delete everything after "must"

Page 2, delete line 28

Page 2, line 29, delete "D." and insert "state "option B will take effect only if option D is also approved.""

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 208, 218, 361, 503, 504, 539 and 553 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 30 and 61 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Abeler introduced:

H. F. No. 774, A bill for an act relating to human services; recodifying and reorganizing the background study provisions in the Human Services Licensing Act; making conforming changes; amending Minnesota Statutes 2002, sections 245A.04, subdivisions 1, 3, 3a, 3b, 3c, 3d, 3e, 3f; 245A.041; proposing coding for new law as Minnesota Statutes, chapter 245C.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Westrom; Anderson, B.; Beard; Juhnke; Gunther; Huntley; Dempsey; Powell; Davids; McNamara; Hackbarth; Stang; Sviggum; Olson, M.; Mahoney and Osterman introduced:

H. F. No. 775, A bill for an act relating to energy; amending the definition of a radioactive waste management facility; specifying the applicability of the renewable development fund; authorizing sufficient dry cask storage capacity to allow the nuclear reactors at the Prairie Island nuclear generation facility to operate until the end of their current licenses; requiring a public utility that owns a nuclear generation facility to seek commission approval for additional storage capacity for spent nuclear fuel; amending Minnesota Statutes 2002, sections 116C.71, subdivision 7; 116C.779; 216B.1645, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 116C.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Davnie introduced:

H. F. No. 776, A bill for an act relating to retirement; Minneapolis fire relief association; waiving surviving spouse benefit eligibility requirements for spouse of a certain deceased firefighter.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Klinzing, Kuisle, Otto and McNamara introduced:

H. F. No. 777, A bill for an act relating to elections; changing distribution of the voting equipment grant account; amending Minnesota Statutes 2002, section 204B.48, subdivisions 2, 4.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Holberg introduced:

H. F. No. 778, A bill for an act relating to family law; modifying provisions dealing with distribution of certain pension plan assets or benefits; amending Minnesota Statutes 2002, section 518.58, subdivision 4.

The bill was read for the first time and referred to the Committee on Civil Law.

Ozment introduced:

H. F. No. 779, A bill for an act relating to state government; appropriating money for environmental and natural resources purposes; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 2002, sections 16A.531, subdivision 1, by adding a subdivision; 84.085, subdivision 1; 84.415, subdivisions 4, 5, by adding subdivisions; 84D.14; 85.052, subdivision 3; 85.053, subdivision 1; 85A.02, subdivision 17; 86B.415, subdivision 7; 97A.475, subdivisions 15, 26, 27, 28, 29, 30, 38, 39, 40, 42; 97B.645, subdivision 7; 103B.231, subdivision 3a; 103B.305, subdivision 3, by adding subdivisions; 103B.311, subdivisions 1, 2, 3, 4; 103B.315, subdivisions 4, 5, 6; 103B.321, subdivisions 1, 2; 103B.325, subdivisions 1, 2; 103B.331, subdivisions 1, 2, 3; 103B.3363, subdivision 3; 103B.3369, subdivisions 2, 4, 5, 6; 103B.355; 103D.405, subdivision 2; 103G.005, subdivision 10e; 103G.222, subdivision 1; 103G.2242, by adding subdivisions; 103G.271, subdivisions 6, 6a; 103G.611, subdivision 1; 103G.615, subdivision 2; 115.03, by adding subdivisions; 115.073; 115.56, subdivision 4; 115A.0716, subdivision 3; 115A.545, subdivision 2; 115A.9651, subdivision 6; 115B.17, subdivisions 6, 7, 14, 16; 115B.19; 115B.20; 115B.22, subdivision 7; 115B.25, subdivisions 1a, 4; 115B.26; 115B.30; 115B.31, subdivisions 1, 3, 4; 115B.32, subdivision 1; 115B.33, subdivision 1; 115B.34; 115B.36; 115B.40, subdivision 4; 115B.41, subdivisions 1, 2, 3; 115B.42, subdivision 2; 115B.421; 115B.445; 115B.48, subdivision 2; 115B.49, subdivisions 1, 3, 4; 115D.12, subdivision 2; 116.03, subdivision 2; 116.07, subdivisions 4d, 4h; 116.994; 116C.834, subdivision 1; 116P.02, subdivision 1; 116P.05, subdivision 2; 116P.09, subdivisions 4, 5, 7; 116P.10; 116P.14, subdivision 2; 273.13, subdivision 23; 297A.94; 297F.10, subdivision 1; 297H.13, subdivisions 1, 2; 325E.10, subdivision 1; 469.175, subdivision 7; 473.843, subdivision 2; 473.844, subdivision 1; 473.845, subdivisions 1, 3, 7, 8; 473.846; proposing coding for new law in Minnesota Statutes, chapters 103B; 116; repealing Minnesota Statutes 2002, sections 1.31; 1.32; 84.415, subdivisions 1, 3; 89.391; 93.2235; 103B.311, subdivisions 5, 6, 7; 103B.315, subdivisions 1, 2, 3, 7; 103B.321, subdivision 3; 103B.3369, subdivision 3; 103G.222, subdivision 2; 115A.908, subdivision 2; 115B.02, subdivision 1a; 115B.19; 115B.42, subdivision 1; 116P.13; 297H.13, subdivisions 3, 4; 325E.112, subdivisions 2, 3; 325E.113; 473.845, subdivision 4; Minnesota Rules, parts 6135.0100; 6135.0200; 6135.0300; 6135.0400;

6135.0510; 6135.0610; 6135.0710; 6135.0810; 6135.1000; 6135.1100; 6135.1200; 6135.1300; 6135.1400; 6135.1500; 6135.1600; 6135.1700; 6135.1800; 9300.0010; 9300.0020; 9300.0030; 9300.0040; 9300.0050; 9300.0060; 9300.0070; 9300.0080; 9300.0090; 9300.0100; 9300.0110; 9300.0120; 9300.0130; 9300.0140; 9300.0150; 9300.0160; 9300.0170; 9300.0180; 9300.0190; 9300.0200; 9300.0210.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

Wardlow; Anderson, J.; Hausman; Heidgerken and Smith introduced:

H. F. No. 780, A bill for an act relating to education; permitting school districts to pay insurance premiums for teachers on an extended leave of absence; amending Minnesota Statutes 2002, sections 122A.46, subdivision 9; 354.094, subdivision 1.

The bill was read for the first time and referred to the Committee on Education Finance.

Seagren and Sykora introduced:

H. F. No. 781, A bill for an act relating to education; families and early childhood education; kindergarten through grade 12; providing for child care programs, early childhood programs, prevention, self-sufficiency and lifelong learning, general education, other general programs, nonpublic pupil programs, charter schools, desegregation programs, American Indian programs, accountability and reform, programs for special populations, special programs, facilities and technology, nutrition programs, libraries, and state agencies; renaming the department of children, families, and learning to department of education; appropriating money; amending Minnesota Statutes 2002, sections 15.01; 119A.01, subdivision 2; 119A.02, subdivisions 2, 3; 119B.011, subdivisions 8, 10; 119B.12, subdivision 2; 119B.13, subdivision 2, by adding a subdivision; 120A.02; 120A.05, subdivisions 4, 7; 122A.61, subdivision 1; 123B.53, subdivision 4; 123B.57, subdivisions 1, 6; 123B.59, subdivisions 1, 2, 3, 5, by adding a subdivision; 123B.75, subdivision 5; 123B.92, subdivision 9; 124D.09, subdivision 13; 124D.11, subdivisions 1, 4, 6, 9; 124D.128, subdivisions 2, 3, 6; 124D.135, subdivisions 1, 8; 124D.16, subdivision 6; 124D.20, subdivisions 3, 5, by adding subdivisions; 124D.52, subdivisions 1, 3; 124D.531, subdivisions 1, 2, 4, 7; 124D.59, subdivision 2; 124D.65, subdivision 5; 124D.86, subdivisions 3, 4, 5; 125A.76, subdivisions 1, 4; 125A.79, subdivisions 1, 6; 126C.05, subdivisions 8, 14, 15, 17; 126C.10, subdivisions 1, 3, 4, 7, 8, 17, 18, by adding subdivisions; 126C.13, subdivision 4; 126C.17, subdivisions 1, 2, 5, 7, 13; 126C.40, subdivisions 1, 2, 6; 126C.43, subdivisions 2, 3; 126C.45; 127A.05, subdivisions 1, 3; 127A.45, subdivisions 2, 3, 10, 13, 14, 14a, 16; 268.052, subdivisions 2, 4; Laws 2001, First Special Session chapter 6, article 2, section 64; proposing coding for new law in Minnesota Statutes, chapters 124D; 127A; repealing Minnesota Statutes 2002, sections 119A.01, subdivision 1; 119A.46; 120B.23; 122A.62; 122A.64; 122A.65; 123B.59, subdivisions 6, 7; 124D.09, subdivision 15; 124D.115; 124D.1156; 124D.118; 124D.17; 124D.21; 124D.221; 124D.54; 124D.89; 125A.79, subdivision 2; 126C.01, subdivision 9; 126C.05, subdivision 12; 126C.10, subdivision 5; 126C.445; 126C.455; Laws 1993, chapter 224, article 8, section 20, subdivision 2, as amended; Laws 2000, chapter 489, article 2, section 36, as amended; Laws 2001, First Special Session chapter 6, article 2, section 70.

The bill was read for the first time and referred to the Committee on Education Finance.

Seagren introduced:

H. F. No. 782, A bill for an act relating to education; providing for the department of children, families, and learning administrative amendment and repeal of certain statutory provisions relating to kindergarten through grade 12; amending Minnesota Statutes 2002, sections 12.21, subdivision 3; 120A.05, subdivision 9; 122A.63, subdivision

3; 123A.06, subdivision 3; 123A.18, subdivision 2; 123A.73, subdivisions 3, 4, 5; 123B.51, subdivisions 3, 4; 123B.57, subdivision 4; 123B.63, subdivisions 1, 2, 3, 4; 123B.91, subdivision 1; 123B.92, subdivisions 1, 3; 124D.09, subdivisions 9, 10, 16; 124D.11, subdivisions 1, 2; 124D.135, subdivision 8; 124D.16, subdivision 6; 124D.19, subdivision 3; 124D.20, subdivision 5; 124D.22, subdivision 3; 124D.454, subdivisions 2, 8, 10, by adding a subdivision; 124D.65, subdivision 5; 124D.86, subdivisions 1a, 3, 6; 125A.21, subdivision 2; 126C.10, subdivision 6; 126C.15, subdivision 1; 126C.17, subdivisions 7a, 9; 126C.21, subdivision 3; 126C.42, subdivision 1; 126C.48, subdivision 3; 126C.63, subdivisions 5, 8; 126C.69, subdivisions 2, 9; 127A.47, subdivisions 7, 8; 127A.49, subdivisions 2, 3; 128D.11, subdivision 8; 169.26, subdivision 3; 169.973, subdivision 1; 178.02, subdivision 1; 273.138, subdivision 6; 298.28, subdivision 4; 475.61, subdivision 4; Laws 1965, chapter 705, as amended; repealing Minnesota Statutes 2002, sections 123A.73, subdivisions 7, 10, 11; 123B.81, subdivision 6; 124D.65, subdivision 4; 124D.84, subdivision 2; 125A.023, subdivision 5; 125A.47; 125B.11; 126C.01, subdivision 4; 126C.14; 127A.41, subdivision 6; Laws 2001, First Special Session chapter 6, article 5, section 12, as amended; Minnesota Rules, parts 3500.0600; 3520.0400; 3520.1400; 3520.3300; 3530.1500; 3530.2700; 3530.4400; 3530.4500; 3530.4700; 3545.2100; 3545.2200; 3545.2400; 3545.2500; 3545.2600; 3545.3008; 3545.3010; 3545.3018; 3545.3020; 3550.0100.

The bill was read for the first time and referred to the Committee on Education Finance.

Magnus, Peterson, Seifert, Harder and Koenen introduced:

H. F. No. 783, A bill for an act relating to appropriations; appropriating money for floodplain management.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

Powell, Smith, Fuller and Murphy introduced:

H. F. No. 784, A bill for an act relating to crimes; prohibiting interfering with emergency communications; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time and referred to the Committee on Judiciary Policy and Finance.

Buesgens, Hornstein and Adolphson introduced:

H. F. No. 785, A bill for an act relating to metropolitan government; eliminating certain reporting requirements; abolishing the metropolitan parks and open space commission; providing for the direct charging by the metropolitan council of industrial dischargers for certain wastewater treatment user fees; removing an obsolete requirement for metropolitan school districts to submit capital improvement plans to the metropolitan council for review; making conforming changes; amending Minnesota Statutes 2002, sections 352.01, subdivision 2a; 473.121, subdivision 5a; 473.13, subdivision 1; 473.143, subdivision 1; 473.147; 473.313, subdivision 2; 473.315, subdivision 1; 473.333; 473.351, subdivision 3; 473.517, by adding a subdivision; repealing Minnesota Statutes 2002, sections 473.121, subdivision 12; 473.1623; 473.301, subdivision 4; 473.303; 473.704, subdivision 19; 473.863.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Holberg, Westerberg, Hausman, Hornstein and Kelliher introduced:

H. F. No. 786, A bill for an act relating to utilities; providing for liability under the one call excavation notice system; amending Minnesota Statutes 2002, section 216D.06, subdivision 2.

The bill was read for the first time and referred to the Committee on Civil Law.

Entenza and Davids introduced:

H. F. No. 787, A bill for an act relating to fire safety; requiring certain places of public assembly to have automatic sprinkler systems and prohibiting those places from conducting fireworks displays; imposing a surcharge on fire insurance policies and appropriating money raised by the surcharge to the state fire marshal; authorizing the state fire marshal to impose civil penalties for fire safety violations; imposing criminal and civil penalties; authorizing the adoption of rules; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299F.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Walker; Rukavina; Thao; Johnson, S.; Mariani; Ellison and Jaros introduced:

H. F. No. 788, A bill for an act relating to child welfare; eliminating certain permanency review requirements for children under age eight; amending Minnesota Statutes 2002, section 260C.301, subdivision 1; repealing Minnesota Statutes 2002, section 260C.201, subdivision 11a.

The bill was read for the first time and referred to the Committee on Civil Law.

Hoppe, Hackbarth, Gunther, Dill, Howes, Soderstrom, Wasiluk, Cornish, Haas, Lindgren and Simpson introduced:

H. F. No. 789, A bill for an act relating to natural resources; modifying game and migratory waterfowl refuge provisions; providing for suspension of game and fish license and permit privileges under certain circumstances; modifying certain game license provisions; modifying certain fish possession restrictions; amending Minnesota Statutes 2002, sections 97A.085, subdivisions 2, 3, 4; 97A.095, subdivisions 1, 2; 97A.421, by adding a subdivision; 97A.435, subdivision 4; 97B.721; 97C.401, subdivision 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Hoppe; Hackbarth; Dill; Peterson; Lindgren; Koenen; Cornish; Nelson, M., and Larson introduced:

H. F. No. 790, A bill for an act relating to game and fish; modifying shooting hours for migratory game birds; amending Minnesota Statutes 2002, section 97B.075.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Kielkucki; Lesch; Boudreau; Thissen; Olsen, S.; Knoblach and Samuelson introduced:

H. F. No. 791, A bill for an act relating to elections; changing certain requirements and procedures; amending Minnesota Statutes 2002, sections 5.08; 15.0597, subdivisions 2, 3, 4, 5, 6, 7; 15.0599, subdivision 4; 126C.17, subdivision 9; 201.061, subdivision 3; 201.071, subdivision 3; 201.161; 201.171; 201.221, subdivision 3, by adding a subdivision; 203B.06, subdivision 3; 203B.085; 203B.125; 203B.13, by adding a subdivision; 204B.06, subdivision 1; 204B.07, subdivision 2; 204B.09, subdivisions 1, 3; 204B.14, subdivision 2; 204B.16, subdivision 3; 204B.18, subdivision 1; 204B.19, subdivisions 1, 6; 204B.21, subdivisions 1, 2; 204B.22, by adding a subdivision; 204B.37; 204B.41; 204C.06, by adding a subdivision; 204C.12, subdivision 4; 204C.20, subdivision 2; 204C.24, subdivision 1; 204C.35, subdivision 1; 204C.36, subdivisions 1, 3; 204C.361; 204D.27, subdivision 11; 205.02, subdivision 1; 205.075, by adding a subdivision; 205.16, subdivision 4, by adding a subdivision; 205.185, subdivisions 2, 3; 205A.02; 205A.07, subdivision 3, by adding a subdivision; 206.81; 351.01, subdivision 4; 365.51, subdivision 3; 367.12; 414.041, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204D.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Tingelstad and Hausman introduced:

H. F. No. 792, A bill for an act relating to assisted reproduction; authorizing gestational surrogacy agreements; proposing coding for new law as Minnesota Statutes, chapter 257D.

The bill was read for the first time and referred to the Committee on Civil Law.

Gerlach, by request, introduced:

H. F. No. 793, A bill for an act relating to public employees; instituting a freeze on salaries and wage rates for government employees.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Gunther, Juhnke, Ozment, Peterson and Westerberg introduced:

H. F. No. 794, A bill for an act relating to education; creating an education telecommunications fund; providing support for kindergarten through grade 12 schools and public library telecommunications networks; providing for an access fee; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 125B.

The bill was read for the first time and referred to the Committee on Education Finance.

Hornstein, Holberg, Seagren, Thissen, Strachan, Larson and Lenczewski introduced:

H. F. No. 795, A bill for an act relating to transportation; requiring the department of transportation and the metropolitan council to conduct a study of bus rapid transit on I-35W between Minneapolis and Lakeville; requiring creation of a study advisory committee; specifying membership; requiring a report of recommendations.

The bill was read for the first time and referred to the Committee on Transportation Policy.

Holberg, Beard, Wilkin and Wardlow introduced:

H. F. No. 796, A bill for an act relating to public employees; modifying the definition of essential employee; amending Minnesota Statutes 2002, section 179A.03, subdivision 7.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Wilkin introduced:

H. F. No. 797, A bill for an act relating to human services; providing for a planned closure rate adjustment for certain nursing facilities; amending Minnesota Statutes 2002, section 256B.437, subdivision 6.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Anderson, J.; Wardlow; Sykora; Heidgerken and Olson, M., introduced:

H. F. No. 798, A bill for an act relating to education; regarding notification to teachers that are in contact with students with histories of violent behavior; amending Minnesota Statutes 2002, section 121A.64.

The bill was read for the first time and referred to the Committee on Education Policy.

Otremba, Thao, Otto, Eken, Thissen, Wasiluk, Mullery, Peterson, Juhnke, Murphy, Dill and Koenen introduced:

H. F. No. 799, A bill for an act relating to human services; creating the prescription drug rebate program; appropriating money; amending Minnesota Statutes 2002, sections 8.31, subdivision 1; 256.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Hackbarth, Davids, Gunther and Blaine introduced:

H. F. No. 800, A bill for an act relating to public safety; regulating permitted fireworks; authorizing certain licensing fees; limiting local regulation; amending Minnesota Statutes 2002, section 624.20, subdivision 1.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Wasiluk and Slawik introduced:

H. F. No. 801, A bill for an act relating to public libraries; requiring a hearing before closing a public library; proposing coding for new law in Minnesota Statutes, chapter 134.

The bill was read for the first time and referred to the Committee on Education Finance.

Mullery, Carlson, Hilstrom, Rhodes, Latz, Hornstein and Nelson, M., introduced:

H. F. No. 802, A bill for an act relating to Hennepin county; clarifying the authority of the county housing and redevelopment authority; amending Minnesota Statutes 2002, section 383B.77, subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Johnson, S.; Ozment; Ellison; Wagenius; Cox; Mahoney; Mariani; Thao and Walker introduced:

H. F. No. 803, A bill for an act relating to the environment; requiring certain coal-fired power plants to install pollution control equipment by 2010; proposing coding for new law in Minnesota Statutes, chapter 116.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Solberg; Dill; Anderson, I., and Howes introduced:

H. F. No. 804, A bill for an act relating to traffic regulations; regulating gross weights on vehicles and combinations hauling raw or unfinished farm or forest products under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 169.

The bill was read for the first time and referred to the Committee on Transportation Policy.

Severson introduced:

H. F. No. 805, A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for land acquisition to enable increased operations at the St. Cloud Regional Airport.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Kielkucki and Wilkin introduced:

H. F. No. 806, A bill for an act relating to civil actions; providing limits on certain liability of certain nonprofit corporations providing day training and habilitation services for adults with mental retardation or daytime developmental achievement center services for children with mental retardation and related conditions or securing or maintaining homes for dependent and neglected children; proposing coding for new law in Minnesota Statutes, chapter 604A.

The bill was read for the first time and referred to the Committee on Civil Law.

Seifert introduced:

H. F. No. 807, A bill for an act relating to elections; fair campaign practices; prohibiting distorted photographs of candidates in campaign materials; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 211B.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Dill, Hoppe, Juhnke, Peterson and Rukavina introduced:

H. F. No. 808, A bill for an act relating to crime prevention; providing that in certain cases authorized representatives of entities possessing a permit to use radio equipment capable of receiving police emergency transmissions may use and possess the equipment without a permit; amending Minnesota Statutes 2002, section 299C.37, subdivisions 1, 3.

The bill was read for the first time and referred to the Committee on Judiciary Policy and Finance.

Abrams, Pugh, Knoblach, Lenczewski and Erhardt introduced:

H. F. No. 809, A bill for an act relating to taxation; providing for exemption from sales and use taxes on certain delivery or distribution charges for direct mail; amending Minnesota Statutes 2002, sections 297A.61, by adding a subdivision; 297A.68, subdivision 36.

The bill was read for the first time and referred to the Committee on Taxes.

Howes, Dill, Penas, Hackbarth and Ozment introduced:

H. F. No. 810, A bill for an act relating to state lands; providing for certain state land acquisition; modifying the Mississippi whitewater trail; modifying provisions of the outdoor recreation system; establishing a mineral coordinating committee; adding to and deleting from state parks, state recreation areas, state forests, and wildlife management areas; authorizing sales of certain surplus state land in St. Louis and Beltrami counties; amending Minnesota Statutes 2002, sections 85.013, subdivision 1; 85.0156, subdivision 1; 86A.04; proposing coding for new law in Minnesota Statutes, chapter 93.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Stang, Davids, Sviggum, Lenczewski, Peterson and Kuisle introduced:

H. F. No. 811, A bill for an act relating to tax increment financing; authorizing duration extensions to eliminate deficits caused by the 2001 property tax changes; amending Minnesota Statutes 2002, section 469.1792, subdivision 3.

The bill was read for the first time and referred to the Committee on Taxes.

Clark, Abeler, Seagren, Entenza, Goodwin and Kelliher introduced:

H. F. No. 812, A resolution respectfully requesting the governor to apologize on behalf of citizens of the state to all persons with mental illness and developmental and other disabilities who have been wrongfully committed to state institutions.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Davnie, Carlson, Bernardy, Goodwin and Eken introduced:

H. F. No. 813, A bill for an act relating to education finance; appropriating money to promote professional teaching standards; amending Laws 1997, First Special Session chapter 4, article 5, section 22, subdivision 4, as amended.

The bill was read for the first time and referred to the Committee on Education Finance.

Davnie, Thissen, Sertich and Rukavina introduced:

H. F. No. 814, A bill for an act relating to insurance; regulating nonrenewals of homeowner's insurance; prohibiting various discriminatory practices in automobile and homeowner's insurance; amending Minnesota Statutes 2002, sections 65A.29, subdivision 8; 65B.28, subdivision 1; 72A.20, subdivisions 13, 23.

The bill was read for the first time and referred to the Committee on Commerce, Jobs and Economic Development.

Thissen introduced:

H. F. No. 815, A bill for an act relating to taxes; property tax; requiring payments to compensate taxing jurisdictions for lost property tax base when real property is acquired by a governmental entity and becomes tax exempt; proposing coding for new law in Minnesota Statutes, chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Thissen, Pugh, Wagenius, Larson and Hornstein introduced:

H. F. No. 816, A bill for an act relating to Minneapolis-St. Paul International Airport; providing for the impact of expansion of the Minneapolis-St. Paul International Airport; authorizing airport mitigation planning and the establishment of airport impact zones in the cities of Bloomington, Burnsville, Eagan, Mendota Heights, Minneapolis, Richfield, and St. Paul; creating an airport impact mitigation fund in the state treasury; authorizing certain related activities by the department of trade and economic development; authorizing a metropolitan area credit enhancement program including a contingent metropolitan area property tax levy; appropriating money.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Mahoney, Gunther, Sertich and Dorman introduced:

H. F. No. 817, A bill for an act relating to occupational safety and health; eliminating certain responsibilities of the commissioner of health; increasing penalty limits for certain violations; amending Minnesota Statutes 2002, sections 182.65, subdivision 2; 182.656, subdivision 1; 182.66, subdivision 2; 182.666, subdivision 2.

The bill was read for the first time and referred to the Committee on Civil Law.

Tingelstad, Hausman and Abeler introduced:

H. F. No. 818, A bill for an act relating to parentage; modifying provisions regarding parentage of a child conceived through artificial insemination; amending Minnesota Statutes 2002, section 257.56.

The bill was read for the first time and referred to the Committee on Civil Law.

Bradley; Nelson, C.; Demmer and Kuisle introduced:

H. F. No. 819, A bill for an act relating to capital improvements; appropriating money to the board of trustees of the Minnesota state colleges and universities for capital improvements at University Center Rochester; authorizing the sale of state bonds.

The bill was read for the first time and referred to the Committee on Higher Education Finance.

Buesgens and Heidgerken introduced:

H. F. No. 820, A bill for an act relating to education; allowing school districts to assign a student to an area learning center; amending Minnesota Statutes 2002, sections 121A.55; 124D.128, subdivision 3.

The bill was read for the first time and referred to the Committee on Education Policy.

Paulsen, Meslow, Murphy, Smith and Pugh introduced:

H. F. No. 821, A bill for an act relating to crime; providing reporting procedures and venue for identity theft; amending Minnesota Statutes 2002, section 609.527, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Judiciary Policy and Finance.

Buesgens and Juhnke introduced:

H. F. No. 822, A bill for an act relating to education; allowing for direct judicial review of district exclusion and expulsion decisions; amending Minnesota Statutes 2002, section 121A.50; repealing Minnesota Statutes 2002, section 121A.49.

The bill was read for the first time and referred to the Committee on Education Policy.

Cornish, Ozment, Hackbarth, Gunther, Dill, Haas, Lindgren, Simpson, Finstad, Soderstrom and Erickson introduced:

H. F. No. 823, A bill for an act relating to natural resources; modifying commissioner's authority relating to employees, gifts, and grants; modifying provisions of the state parks working capital fund; modifying application provisions for certain licenses; providing for reciprocity of certain safety courses; modifying certain county reimbursement provisions; modifying identification provisions for fish and dark houses; eliminating requirement to publish pamphlet form of laws; amending Minnesota Statutes 2002, sections 84.01, subdivision 3; 84.026; 84.085,

subdivision 1; 84.82, subdivision 2; 84.862, by adding a subdivision; 85.22, by adding a subdivision; 86B.401, subdivision 1; 97A.065, subdivision 2; 97C.355, subdivisions 1, 2; repealing Minnesota Statutes 2002, section 97A.051, subdivision 1; Minnesota Rules, part 6262.0100, subpart 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Peterson and Koenen introduced:

H. F. No. 824, A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for the Prairie Farm Preservation Education and Exhibit Center.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

Peterson, Koenen, Juhnke, Eken and Heidgerken introduced:

H. F. No. 825, A bill for an act relating to agriculture; restricting sales of ethanol plants; amending Minnesota Statutes 2002, section 41A.09, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Agriculture Policy.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 374.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 374, A bill for an act relating to the city of St. Paul; making technical changes to the civic center authority powers and duties; amending Laws 1967, chapter 459, section 8, subdivisions 1, 3, 4, as amended.

The bill was read for the first time.

Lesch moved that S. F. No. 374 and H. F. No. 93, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 266, A bill for an act relating to human services; modifying the purchasing alliance stop-loss fund; amending Minnesota Statutes 2002, sections 256.956, subdivisions 1, 2, 3, 4, 5, 9.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Davnie	Harder	Kuisle	Osterman	Smith
Abrams	DeLaForest	Hausman	Lanning	Otremba	Soderstrom
Adolphson	Demmer	Heidgerken	Larson	Otto	Solberg
Anderson, B.	Dempsey	Hilstrom	Latz	Ozment	Stang
Anderson, I.	Dill	Hilty	Lenczewski	Paulsen	Strachan
Anderson, J.	Dorman	Holberg	Lesch	Paymar	Sykora
Atkins	Dorn	Hoppe	Lieder	Pelowski	Thao
Beard	Eastlund	Hornstein	Lindner	Penas	Thissen
Bernardy	Eken	Howes	Lipman	Peterson	Tingelstad
Biernat	Ellison	Jacobson	Magnus	Powell	Urdahl
Blaine	Entenza	Jaros	Mariani	Pugh	Vandever
Borrell	Erhardt	Johnson, J.	Marquart	Rhodes	Wagenius
Boudreau	Erickson	Johnson, S.	McNamara	Ruth	Walker
Bradley	Finstad	Juhnke	Mullery	Samuelson	Walz
Brod	Fuller	Kahn	Nelson, C.	Seagren	Wardlow
Buesgens	Gerlach	Kelliher	Nelson, M.	Seifert	Wasiluk
Carlson	Goodwin	Klinzing	Nelson, P.	Sertich	Westerberg
Clark	Greiling	Knoblach	Nornes	Severson	Westrom
Cornish	Gunther	Koenen	Olsen, S.	Sieben	Wilkin
Cox	Haas	Kohls	Olson, M.	Simpson	Zellers
Dauids	Hackbarth	Krinkie	Opatz	Slawik	Spk. Sviggum

The bill was passed and its title agreed to.

H. F. No. 536, A bill for an act relating to insurance; regulating the joint underwriting association; modifying coverage; modifying the market assistance responsibilities of the association; amending Minnesota Statutes 2002, sections 62I.02, subdivision 1; 62I.03, by adding a subdivision; 62I.04; 62I.05; 62I.08; 62I.13, subdivisions 1, 2; 62I.14; 62I.21; 62I.22, subdivision 1; repealing Minnesota Statutes 2002, sections 62I.09; 62I.10; 62I.11; 62I.13, subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Heidgerken	Larson	Otto	Stang
Abrams	Demmer	Hilstrom	Latz	Ozment	Strachan
Adolphson	Dempsey	Hilty	Lenczewski	Paulsen	Sykora
Anderson, B.	Dill	Holberg	Lesch	Paymar	Thao
Anderson, I.	Dorman	Hoppe	Lieder	Pelowski	Thissen
Anderson, J.	Dorn	Hornstein	Lindner	Penas	Tingelstad
Atkins	Eastlund	Howes	Lipman	Peterson	Urdahl
Beard	Eken	Jacobson	Magnus	Powell	Vandever
Bernardy	Ellison	Jaros	Mahoney	Pugh	Wagenius
Biernat	Entenza	Johnson, J.	Mariani	Rhodes	Walker
Blaine	Erhardt	Johnson, S.	Marquart	Ruth	Walz
Borrell	Erickson	Juhnke	McNamara	Samuelson	Wardlow
Boudreau	Finstad	Kahn	Mullery	Seagren	Wasiluk
Bradley	Fuller	Kelliher	Nelson, C.	Seifert	Westerberg
Brod	Gerlach	Kielkucki	Nelson, M.	Sertich	Westrom
Buesgens	Goodwin	Klinzing	Nelson, P.	Severson	Wilkin
Carlson	Greiling	Knoblach	Nornes	Sieben	Zellers
Clark	Gunther	Koenen	Olsen, S.	Simpson	Spk. Sviggum
Cornish	Haas	Kohls	Olson, M.	Slawik	
Cox	Hackbarth	Krinkie	Opatz	Smith	
Davids	Harder	Kuisle	Osterman	Soderstrom	
Davnie	Hausman	Lanning	Otremba	Solberg	

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Paulsen from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bill to be placed on the Calendar for the Day for Monday, March 10, 2003:

H. F. No. 480.

CALENDAR FOR THE DAY

H. F. No. 480 was reported to the House.

Sertich moved to amend H. F. No. 480, the first engrossment, as follows:

Page 1, delete section 1

Page 3, delete lines 31 to 36

Page 4, delete lines 1 to 4

Page 4, line 5, delete "6" and insert "5"

Renumber the remaining sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 3, delete "requiring"

Page 1, delete lines 4 to 7

Page 1, line 8, delete "16;"

A roll call was requested and properly seconded.

The question was taken on the Sertich amendment and the roll was called. There were 0 yeas and 128 nays as follows:

Those who voted in the negative were:

Abeler	DeLaForest	Heidgerken	Larson	Otto	Stang
Abrams	Demmer	Hilstrom	Latz	Ozment	Strachan
Adolphson	Dempsey	Hilty	Lenczewski	Paulsen	Sykora
Anderson, B.	Dill	Holberg	Lesch	Paymar	Thao
Anderson, I.	Dorman	Hoppe	Lieder	Pelowski	Thissen
Anderson, J.	Dorn	Hornstein	Lindner	Penas	Tingelstad
Atkins	Eastlund	Howes	Lipman	Peterson	Urdahl
Beard	Eken	Jacobson	Magnus	Powell	Vandevveer
Bernardy	Ellison	Jaros	Mahoney	Pugh	Wagenius
Biernat	Entenza	Johnson, J.	Mariani	Rhodes	Walker
Blaine	Erhardt	Johnson, S.	Marquart	Ruth	Walz
Borrell	Erickson	Juhnke	McNamara	Samuelson	Wardlow
Boudreau	Finstad	Kahn	Mullery	Seagren	Wasiluk
Bradley	Fuller	Kelliher	Nelson, C.	Seifert	Westerberg
Brod	Gerlach	Kielkucki	Nelson, M.	Sertich	Westrom
Buesgens	Goodwin	Klinzing	Nelson, P.	Severson	Wilkin
Carlson	Greiling	Knoblach	Nornes	Sieben	Zellers
Clark	Gunther	Koenen	Olsen, S.	Simpson	Spk. Sviggum
Cornish	Haas	Kohls	Olson, M.	Slawik	
Cox	Hackbarth	Krinkie	Opatz	Smith	
Davids	Harder	Kuisle	Osterman	Soderstrom	
Davnie	Hausman	Lanning	Otremba	Solberg	

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

H. F. No. 480, A bill for an act relating to civil actions; providing protection for disclosure of job reference information; requiring disclosure of data between school districts and charter schools relating to acts of violence or inappropriate sexual contact with students; amending Minnesota Statutes 2002, section 13.43, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 83 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Harder	Lanning	Otto	Stang
Abrams	DeLaForest	Heidgerken	Lindner	Ozment	Strachan
Adolphson	Demmer	Holberg	Lipman	Paulsen	Sykora
Anderson, B.	Dempsey	Hoppe	Magnus	Pelowski	Tingelstad
Anderson, J.	Dorman	Howes	Marquart	Penas	Urdahl
Beard	Eastlund	Jacobson	McNamara	Powell	Vandever
Blaine	Erhardt	Johnson, J.	Nelson, C.	Rhodes	Walz
Borrell	Erickson	Juhnke	Nelson, P.	Ruth	Wardlow
Boudreau	Finstad	Kielkucki	Nornes	Samuelson	Westerberg
Bradley	Fuller	Klinzing	Olsen, S.	Seagren	Westrom
Brod	Gerlach	Knoblach	Olson, M.	Seifert	Wilkin
Buesgens	Gunther	Kohls	Opatz	Severson	Zellers
Cornish	Haas	Krinkie	Osterman	Simpson	Spk. Sviggum
Cox	Hackbarth	Kuisle	Otremba	Soderstrom	

Those who voted in the negative were:

Anderson, I.	Dorn	Hilty	Latz	Paymar	Thao
Atkins	Eken	Hornstein	Lenczewski	Peterson	Thissen
Bernardy	Ellison	Jaros	Lesch	Pugh	Wagenius
Biernat	Entenza	Johnson, S.	Lieder	Sertich	Walker
Carlson	Goodwin	Kahn	Mahoney	Sieben	Wasiluk
Clark	Greiling	Kelliher	Mariani	Slawik	
Davnie	Hausman	Koenen	Mullery	Smith	
Dill	Hilstrom	Larson	Nelson, M.	Solberg	

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Sykora moved that the name of Olsen, S., be added as an author on H. F. No. 168. The motion prevailed.

Lipman moved that the name of Otto be added as an author on H. F. No. 276. The motion prevailed.

Peterson moved that the name of Westrom be added as an author on H. F. No. 296. The motion prevailed.

Haas moved that the name of Vandever be added as an author on H. F. No. 297. The motion prevailed.

Nelson, P., moved that the name of Kuisle be added as an author on H. F. No. 396. The motion prevailed.

Severson moved that the name of Otto be added as an author on H. F. No. 434. The motion prevailed.

Wardlow moved that the name of DeLaForest be added as an author on H. F. No. 446. The motion prevailed.

Olson, M., moved that the name of Nelson, P., be added as an author on H. F. No. 472. The motion prevailed.

Olson, M., moved that the name of Nelson, P., be added as an author on H. F. No. 473. The motion prevailed.

Meslow moved that the name of Greiling be added as an author on H. F. No. 481. The motion prevailed.

Tingelstad moved that the name of Hoppe be added as an author on H. F. No. 510. The motion prevailed.

Opatz moved that the name of Severson be added as an author on H. F. No. 584. The motion prevailed.

Marquart moved that the name of Lenczewski be added as an author on H. F. No. 630. The motion prevailed.

Holberg moved that the name of Dempsey be added as an author on H. F. No. 670. The motion prevailed.

Erickson moved that the name of Tingelstad be added as an author on H. F. No. 684. The motion prevailed.

Fuller moved that the name of Abeler be added as an author on H. F. No. 686. The motion prevailed.

Simpson moved that the name of Severson be added as an author on H. F. No. 687. The motion prevailed.

Opatz moved that the name of Lenczewski be added as an author on H. F. No. 701. The motion prevailed.

Dempsey moved that the name of Harder be added as an author on H. F. No. 720. The motion prevailed.

Wilkin moved that the name of Severson be added as an author on H. F. No. 727. The motion prevailed.

Wilkin moved that the names of Severson and Olsen, S., be added as authors on H. F. No. 742. The motion prevailed.

Tingelstad moved that the name of Wardlow be added as an author on H. F. No. 757. The motion prevailed.

Anderson, J., moved that the name of Samuelson be added as an author on H. F. No. 768. The motion prevailed.

Davids moved that H. F. No. 175 be recalled from the Committee on Ways and Means and be re-referred to the Committee on Judiciary Policy and Finance. The motion prevailed.

Dill moved that H. F. No. 498 be recalled from the Committee on Environment and Natural Resources Finance and be re-referred to the Committee on Education Finance. The motion prevailed.

Brod moved that H. F. No. 578 be recalled from the Committee on Jobs and Economic Development Finance and be re-referred to the Committee on State Government Finance. The motion prevailed.

Brod moved that H. F. No. 732 be recalled from the Committee on Jobs and Economic Development Finance and be re-referred to the Committee on Commerce, Jobs and Economic Development. The motion prevailed.

Solberg moved that H. F. No. 770 be recalled from the Committee on Environment and Natural Resources Policy and be re-referred to the Committee on Local Government and Metropolitan Affairs. The motion prevailed.

Hilty and Murphy introduced:

House Resolution No. 5, A House resolution commemorating the 85th anniversary of the Fires of 1918.

The resolution was referred to the Committee on Judiciary Policy and Finance.

Knoblach introduced:

House Resolution No. 6, A House resolution setting the maximum limit on general fund expenditures for the biennium ending June 30, 2005.

The resolution was referred to the Committee on Ways and Means.

Knoblach introduced:

House Concurrent Resolution No. 2, A House concurrent resolution relating to the adoption of revenue targets under Minnesota Statutes 2002, section 16A.102, subdivision 2.

The concurrent resolution was referred to the Committee on Ways and Means.

PROTEST AND DISSENT

Pursuant to Article IV, Section 11, of the Constitution of the State of Minnesota, the following members of the Minnesota House of Representatives file a formal Protest and Dissent regarding the remarks of Representative Arlon Lindner on March 6th which were published in the *Minneapolis Star Tribune* on March 7th, 2003.

Representative Lindner, when asked about Minnesotan's objections to removing sexual orientation as a classification in the Minnesota Statute regarding Holocaust survivors and victims of the Holocaust, he stated: "I was a child during World War II, and I've read a lot about World War II," he said. "It's just been recently that anyone's come out with this idea that homosexuals were persecuted to this extent. There's been a lot of rewriting of history."

These quoted remarks by Representative Arlon Lindner show a complete and utter disregard to the documented truth about the Holocaust and the persecution of gays during World War II. Year after year, Representative Lindner's public remarks and statements about his personal beliefs demonstrate his intolerance of entire groups of Minnesotans. Representative Lindner's statements alienate and cause harm to scores of individuals, and he should be repudiated by the Minnesota House of Representatives for his intolerance and close-minded insistence that he can make any statement regardless of the effect it will have on others.

Furthermore, we believe that Representative Lindner's comments violate the Minnesota House of Representatives' Code of Conduct. Representative Lindner's comments fail to treat everyone with the respect, fairness and courtesy required by our Code of Conduct. In addition, the Code of Conduct requires that as part of the public trust bestowed on us as state representatives, we exemplify good citizenship, that we have high personal integrity, and that we observe the letter and spirit of the laws and rules. Representative Lindner's grossly inaccurate public statements and opinions about the Holocaust call into question his personal integrity, his ability to practice good citizenship and his willingness to abide by the spirit of our laws, which tend to be inclusive of others, not exclusive.

We, as members, expect Representative Lindner to apologize for his outrageous remarks and call upon the Leadership of the House of Representatives to join the members signing this protest and dissent petition in repudiating Representative Lindner's revisionist views of the Holocaust and publicly state that he is incorrect. In addition, we request that the Leadership of the House of Representatives remove Representative Lindner from a position of leadership within the House, namely as Chair of the Economic Development and Tourism Division. Clearly Representative Lindner's comments have betrayed the public trust, and have brought the House into dishonor and disrepute.

Signed:

MATT ENTENZA	NORA SLAWIK
ANTHONY SERTICH	GENE PELOWSKI
MINDY GREILING	MARGARET ANDERSON KELLIHER
KEITH ELLISON	DAVID DILL
JOHN DORN	CY THAO
TOM PUGH	JOE OPATZ
MIKE JAROS	KAREN CLARK
NEVA WALKER	AARON PETERSON
SCOTT WASILUK	IRV ANDERSON
JOE ATKINS	BERNIE LIEDER
FRANK HORNSTEIN	KENT EKEN
MARY ELLEN OTREMBA	LYLE KOENEN
MICHAEL NELSON	CONNIE BERNARDY
JIM DAVNIE	LEN BIERNAT
JEAN WAGENIUS	MICHAEL PAYMAR
PHYLLIS KAHN	REBECCA OTTO
TIM MAHONEY	SHELDON JOHNSON
CARLOS MARIANI	RON LATZ
BILL HILTY	JOHN LESCH
JOE MULLERY	BARBARA GOODWIN
LOREN A. SOLBERG	ANN LENCZEWSKI
LYNDON R. CARLSON	KATIE SIEBEN
ALICE HAUSMAN	PAUL THISSEN
DAN LARSON	

ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 3:00 p.m., Thursday, March 13, 2003. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:00 p.m., Thursday, March 13, 2003.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

