

Subd. 2. PAYMENT OF EXCESS FEES. By March 31 of the year following the end of a calendar year during which a lessor has imposed a fee under subdivision 1, the lessor shall report to the commissioner of revenue, in the form required by the commissioner, the amount of the fee collected. If the amount of the fee collected during the previous year exceeds the amount of motor vehicle registration taxes paid under this chapter during the same period, the lessor shall remit the excess to the commissioner of revenue at the time the report is submitted. The commissioner of revenue shall annually transfer to the highway user tax distribution fund an amount equal to the fees collected in excess of the motor vehicle registration taxes paid.

Presented to the governor May 19, 1997

Signed by the governor May 20, 1997, 10:45 a.m.

CHAPTER 191—S.F.No. 1820

An act relating to energy; providing for customer-specific terms in electric utility service contracts; modifying provisions relating to the legislative electric energy task force; requiring study on restructuring the electric industry; allowing exception to prohibition on natural gas outdoor lighting; exempting property that produces hydroelectric or hydromechanical power on federal land from property taxation; requiring reports on mercury emissions resulting from generation of electricity; amending Minnesota Statutes 1996, sections 216B.05; 216B.162, subdivisions 1, 4, and by adding subdivisions; 216C.051, subdivisions 2 and 6; 216C.19, subdivision 5; 272.02, subdivision 1; and 295.44, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116.

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

ARTICLE 1

Section 1. Minnesota Statutes 1996, section 216B.05, is amended to read:

216B.05 FILING SCHEDULES, RULES, AND SERVICE AGREEMENTS.

Subdivision 1. **SCHEDULES PUBLIC RATE FILINGS.** Every public utility shall file with the commission schedules showing all rates, tolls, tariffs and charges which it has established and which are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it.

Subd. 2. **SCHEDULES AND RULES AND SERVICE AGREEMENTS FILINGS.** Every public utility shall file with and as a part of the schedule filings under subdivision 1, all rules that, in the judgment of the commission, in any manner affect the service or product, or the rates charged or to be charged for any service or product, as well as any contracts, agreements or arrangements relating to the service or product or the rates

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to be charged for any service or product to which the schedule is applicable as the commission may by general or special order direct; provided that contracts and agreements for electric service must be filed as required by subdivision 2a of this section.

Subd. 2a. ELECTRIC SERVICE CONTRACTS. A contract for electric service entered into between a public utility and one of its customers, in which the public utility and the customer agree to customer-specific rates, terms, or service conditions not already contained in the approved schedules, tariffs, or rules of the utility, must be filed for approval by the commission pursuant to the commission's rules of practice. Contracts between public utilities and customers that are necessitated by specific statutes in this chapter must be filed for approval under those statutes and any rules adopted by the commission pursuant to those statutes.

Subd. 3. PUBLIC INSPECTION. Every public utility shall keep copies of the schedules filings under subdivisions 1, 2, and 2a open to public inspection under rules as the commission may prescribe.

Sec. 2. Minnesota Statutes 1996, section 216B.162, subdivision 1, is amended to read:

Subdivision 1. DEFINITIONS. (a) The terms used in this section have the meanings given them in this subdivision.

(b) "Effective competition" means a market situation in which an electric utility serves a customer that:

(1) is located within the electric utility's assigned service area determined under section 216B.39; and

(2) has the ability to obtain its energy requirements from an energy supplier that is not regulated by the commission under section 216B.16.

(c) "Competitive rate schedule" means a rate schedule under which an electric utility may set or change the price for its service to an individual customer or group of customers subject to effective competition.

(d) "Competitive rate" means the actual rate offered by the utility, and approved by the commission, to a customer subject to effective competition.

(e) "Discretionary rate reduction" means a specific reduction to an existing rate, offered voluntarily by the utility to an individual customer or group of customers and approved by the commission in accordance with subdivisions 10 and 11.

Sec. 3. Minnesota Statutes 1996, section 216B.162, subdivision 4, is amended to read:

Subd. 4. RATES AND TERMS OF COMPETITIVE RATE SCHEDULE. When the commission authorizes a competitive rate schedule for a customer class, it shall set the terms and conditions of service for that schedule, which must include:

(1) that the minimum rate for the schedule recover at least the incremental cost of providing the service, including the cost of additional capacity that is to be added while the rate is in effect and any applicable on-peak or off-peak differential;

(2) that the maximum possible rate reduction under a competitive rate schedule does not exceed the difference between the electric utility's applicable standard tariff and the cost to the customer of the lowest cost competitive energy supply;

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(3) ~~that the term of a contract for a customer who elects to take service under a competitive rate must be no less than one year and no longer than five years;~~

(4) that the electric utility, within a general rate case, be allowed to seek recovery of the difference between the standard tariff and the competitive rate times the usage level during the test year period;

~~(5)~~ (4) a determination that a rate within a competitive rate schedule meets the conditions of section 216B.03, for other customers in the same customer class;

(6) ~~(5)~~ that the rate does not compete with district heating or cooling provided by a district heating utility as defined by section 216B.166, subdivision 2, paragraph (c); and

(7) ~~(6)~~ that the rate may not be offered to a customer in which the utility has a financial interest greater than 50 percent.

Sec. 4. Minnesota Statutes 1996, section 216B.162, is amended by adding a subdivision to read:

Subd. 10. **DISCRETIONARY RATE REDUCTIONS PERMITTED.** Notwithstanding sections 216B.03, 216B.06, 216B.07, and 216B.16, a public utility whose rates are regulated under this chapter may, at its discretion, offer a reduced rate for tariffed electric services to eligible customers. The commission may approve a discretionary rate reduction provided that:

(1) the reduction is offered to customers who are located within the exclusive service territory of the public utility that offers discretionary rate reductions or to potential customers who are not customers of a Minnesota electric utility, as defined in section 216B.38, but who propose to be located within the exclusive service territory of the public utility;

(2) the reduction applies to customers requiring electric service with a connected load of at least 2,000 kilowatts;

(3) the reduced rate recovers at least the incremental cost of providing the service, including the cost of additional capacity that is to be added while the rate is in effect and any applicable on-peak or off-peak differential;

(4) in the event the commission has approved unbundled rates, the reduction is not offered for any unbundled service other than generation, unless the unbundled service is available to the customer from a competitive supplier;

(5) the reduced rate does not compete with district heating or cooling services provided by a district heating utility as defined by section 216B.166, subdivision 2, paragraph (c); and

(6) the reduced rate does not compete with a natural gas service provided by a natural gas utility and regulated by the commission.

Sec. 5. Minnesota Statutes 1996, section 216B.162, is amended by adding a subdivision to read:

Subd. 11. **COMMISSION DETERMINATION.** (a) Proposals for discretionary rate reductions offered by utilities must be filed with the commission, with copies of the filing served upon the department of public service and the office of attorney general at

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the same time it is served upon the commission. The commission shall review the proposals according to procedures developed under section 216B.05, subdivision 2a. The commission shall not approve discretionary rate reductions offered by public utilities that do not have an accepted resource plan on file with the commission. The commission shall not approve discretionary rate reductions unless the utility has made the customer aware of all cost-effective opportunities for energy efficiency improvements offered by the utility.

(b) Public utilities that provide service under discretionary rate reductions shall not, through increased revenue requirements or through prospective rate design changes, recover any revenues foregone due to the discretionary rate reductions, nor shall the commission grant such recovery.

Sec. 6. Minnesota Statutes 1996, section 216C.051, subdivision 2, is amended to read:

Subd. 2. **ESTABLISHMENT.** (a) There is established a legislative electric energy task force to study future electric energy sources and costs and to make recommendations for legislation for an environmentally and economically sustainable and advantageous electric energy supply.

(b) The task force consists of:

(1) eight ten members of the house of representatives including the chairs of the environment and natural resources and regulated industries and energy committees and six members to be appointed by the speaker of the house, ~~two~~ four of whom must be from the minority caucus;

(2) eight ten members of the senate including the chairs of the environment and natural resources and jobs, energy, and community development committees and six members to be appointed by the subcommittee on committees, ~~two~~ four of whom must be from the minority caucus.

(c) The task force may employ staff, contract for consulting services, and may reimburse the expenses of persons requested to assist it in its duties other than state employees or employees of electric utilities. The director of the legislative coordinating commission shall assist the task force in administrative matters. The task force shall elect cochair, one member of the house and one member of the senate from among the committee chairs named to the committee. The task force members from the house shall elect the house cochair, and the task force members from the senate shall elect the senate cochair.

Sec. 7. Minnesota Statutes 1996, section 216C.051, subdivision 6, is amended to read:

Subd. 6. **ASSESSMENT; APPROPRIATION.** On request by the cochair of the legislative task force and after approval of the legislative coordinating commission, the commissioner of the department of public service shall assess from electric utilities, in addition to assessments made under section 216B.62, the amount requested for the studies and analysis required in subdivisions 3 and 4 and for operation of the task force not to exceed ~~\$350,000~~ \$700,000. This authority to assess continues until the commissioner has assessed a total of ~~\$350,000~~ \$700,000. The amount assessed under this section is appropriated to the director of the legislative coordinating commission for those purposes, and is available until expended.

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Sec. 8. Minnesota Statutes 1996, section 216C.19, subdivision 5, is amended to read:

Subd. 5. **NATURAL GAS OUTDOOR LIGHTING PROHIBITED; EXCEPTION.** After July 1, 1974, no new natural gas outdoor lighting shall be installed in the state. However, the installation and use of natural gas outdoor lighting that is equipped with either an automatic daytime shutoff device or is otherwise capable of being switched on and off, is permitted.

Sec. 9. Minnesota Statutes 1996, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds.
- (2) All public schoolhouses.
- (3) All public hospitals.
- (4) All academies, colleges, and universities, and all seminaries of learning.
- (5) All churches, church property, and houses of worship.
- (6) Institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clauses (1), (2), and (3), or paragraph (d), other than those that qualify for exemption under clause (25).
- (7) All public property exclusively used for any public purpose.
- (8) Except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

- (a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;
- (b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;
- (c) personal property defined in section 272.03, subdivision 2, clause (3);
- (d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;
- (e) manufactured homes and sectional structures, including storage sheds, decks, and similar removable improvements constructed on the site of a manufactured home, sectional structure, park trailer or travel trailer as provided in section 273.125, subdivision 8, paragraph (f); and

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(f) flight property as defined in section 270.071.

(9) Personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, and real property which is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation, as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1260, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, or as part of an electric generation system. For purposes of this clause, personal property includes ponderous machinery and equipment used in a business or production activity that at common law is considered real property.

Any taxpayer requesting exemption of all or a portion of any real property or any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means: (i) land described in section 103G.005, subdivision 15a; (ii) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice; or (iii) land in a wetland preservation area under sections 103F.612 to 103F.616. "Wetlands" under items (i) and (ii) include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands, but do not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause. Upon receipt of an application for the exemption provided in this clause for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is

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exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other non-profit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the federal government, the state, or a local governmental unit which is developed and operated pursuant to the provisions of section 103G.535.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by clause (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body or 30 days have passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

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(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to individuals, couples, or families. (ii) It has the purpose of reuniting families and enabling parents or individuals to obtain self-sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least three months but no longer than three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is owned and operated or under lease from a unit of government or governmental agency under a property disposition program and operated by one or more organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

(20) Real and personal property, including leasehold or other personal property interests, owned and operated by a corporation if more than 50 percent of the total voting power of the stock of the corporation is owned collectively by: (i) the board of regents of the University of Minnesota, (ii) the University of Minnesota Foundation, an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992, and (iii) a corporation organized under chapter 317A, which by its articles of incorporation is prohibited from providing pecuniary gain to any person or entity other than the regents of the University of Minnesota; which property is used primarily to manage or provide goods, services, or facilities utilizing or relating to large-scale advanced scientific computing resources to the regents of the University of Minnesota and others.

(21)(a) Wind energy conversion systems, as defined in section 216C.06, subdivision 12, installed after January 1, 1991, and before January 2, 1995, and used as an electric power source, are exempt.

(b) Wind energy conversion systems, as defined in section 216C.06, subdivision 12, installed after January 1, 1995, including the foundation or support pad, which are (i) used as an electric power source; (ii) located within one county and owned by the same owner; and (iii) produce two megawatts or less of electricity as measured by nameplate ratings, are exempt.

(c) Wind energy conversion systems, as defined in section 216C.06, subdivision 12, installed after January 1, 1995, and used as an electric power source but not exempt under item (b), are treated as follows: (i) the foundation and support pad are taxable; (ii) the associated supporting and protective structures are exempt for the first five assessment

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years after they have been constructed, and thereafter, 30 percent of the market value of the associated supporting and protective structures are taxable; and (iii) the turbines, blades, transformers, and its related equipment, are exempt.

(22) Containment tanks, cache basins, and that portion of the structure needed for the containment facility used to confine agricultural chemicals as defined in section 18D.01, subdivision 3, as required by the commissioner of agriculture under chapter 18B or 18C.

(23) Photovoltaic devices, as defined in section 216C.06, subdivision 13, installed after January 1, 1992, and used to produce or store electric power.

(24) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used for an ice arena or ice rink, and used primarily for youth and high school programs.

(25) A structure that is situated on real property that is used for:

(i) housing for the elderly or for low- and moderate-income families as defined in Title II of the National Housing Act, as amended through December 31, 1990, and funded by a direct federal loan or federally insured loan made pursuant to Title II of the act; or

(ii) housing lower income families or elderly or handicapped persons, as defined in Section 8 of the United States Housing Act of 1937, as amended.

In order for a structure to be exempt under (i) or (ii), it must also meet each of the following criteria:

(A) is owned by an entity which is operated as a nonprofit corporation organized under chapter 317A;

(B) is owned by an entity which has not entered into a housing assistance payments contract under Section 8 of the United States Housing Act of 1937, or, if the entity which owns the structure has entered into a housing assistance payments contract under Section 8 of the United States Housing Act of 1937, the contract provides assistance for less than 90 percent of the dwelling units in the structure, excluding dwelling units intended for management or maintenance personnel;

(C) operates an on-site congregate dining program in which participation by residents is mandatory, and provides assisted living or similar social and physical support services for residents; and

(D) was not assessed and did not pay tax under chapter 273 prior to the 1991 levy, while meeting the other conditions of this clause.

An exemption under this clause remains in effect for taxes levied in each year or partial year of the term of its permanent financing.

(26) Real and personal property that is located in the Superior National Forest, and owned or leased and operated by a nonprofit organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992, and primarily used to provide recreational opportunities for disabled veterans and their families.

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(27) Manure pits and appurtenances, which may include slatted floors and pipes, installed or operated in accordance with a permit, order, or certificate of compliance issued by the Minnesota pollution control agency. The exemption shall continue for as long as the permit, order, or certificate issued by the Minnesota pollution control agency remains in effect.

(28) Notwithstanding clause (8), item (a), attached machinery and other personal property which is part of a facility containing a cogeneration system as described in section 216B.166, subdivision 2, paragraph (a), if the cogeneration system has met the following criteria: (i) the system utilizes natural gas as a primary fuel and the cogenerated steam initially replaces steam generated from existing thermal boilers utilizing coal; (ii) the facility developer is selected as a result of a procurement process ordered by the public utilities commission; and (iii) construction of the facility is commenced after July 1, 1994, and before July 1, 1997.

(29) Real property acquired by a home rule charter city, statutory city, county, town, or school district under a lease purchase agreement or an installment purchase contract during the term of the lease purchase agreement as long as and to the extent that the property is used by the city, county, town, or school district and devoted to a public use and to the extent it is not subleased to any private individual, entity, association, or corporation in connection with a business or enterprise operated for profit.

Sec. 10. Minnesota Statutes 1996, section 295.44, subdivision 1, is amended to read:

Subdivision 1. **EXEMPTION.** Notwithstanding the provisions of sections 272.01, subdivision 2, 272.02, subdivision 5, and 273.19, subdivision 1, real or personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the federal government, the state, or a local governmental unit and developed and operated pursuant to section 103G.535 may be exempt from property taxation for all years during which the site is developed and operated under the terms of a lease or agreement authorized by section 103G.535.

Sec. 11. LEGISLATIVE ELECTRIC ENERGY TASK FORCE; ELECTRIC INDUSTRY RESTRUCTURING.

(a) The legislative electric energy task force shall review and analyze issues relating to the restructuring of the electric industry. At a minimum, the task force shall study the potential costs and benefits of restructuring on:

(1) low-income, residential, small business and large commercial, and industrial electric consumer rates and services, including the ability of all customers to participate in and benefit from a restructured industry;

(2) the overall state's economy, as well as the economy of regions within the state, and the cost of doing business in the state;

(3) the reliability and safety of the electricity system, including system planning and operation;

(4) the state's environment, including the cost-effective promotion of conservation and renewable energy; and

(5) public, private, and cooperative utilities, and alternative electricity suppliers, including the development of competitively neutral markets.

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The task force shall present recommendations to the legislature regarding electric industry restructuring by January 15, 1998.

(b) In performing the review and analysis under paragraph (a), the task force shall solicit information from and the viewpoints of all affected and involved parties, which include, but are not limited to:

- (1) the public utilities commission;
- (2) investor-owned utilities;
- (3) rural electric cooperatives and municipal electric utilities;
- (4) large business electricity consumers;
- (5) small business electricity consumers;
- (6) residential consumers;
- (7) environmental interest groups; and
- (8) the general public.

Sec. 12. UTILITY TAXATION; LEGISLATIVE ELECTRIC ENERGY TASK FORCE.

The legislative electric energy task force shall, by January 15, 1998, conduct an analysis of issues relating to the personal property tax on electric and gas utilities in the state and shall issue its findings and recommendations to the legislature by that date regarding:

- (1) the effects the personal property tax has on the ability of Minnesota electric and gas utilities to compete in a less regulated energy industry;
- (2) the impacts that eliminating the personal property tax on utilities would have on local government units, including school districts, that depend on the revenues from that tax;
- (3) the impact eliminating the personal property tax would have on state revenues, local government aids, school district funding formulas, and ratepayers; and
- (4) alternatives the legislature can consider to address the issues that arise under clause (1) while minimizing the impacts described in clause (2).

The task force shall establish an interim subcommittee on utility taxation to address these issues, and the subcommittee shall work closely with officials from affected local government units in formulating recommendations to present to the full task force.

Sec. 13. EFFECTIVE DATE.

Sections 1, 6 to 8, 11, and 12 are effective the day following final enactment. Sections 9 and 10 are effective for taxes payable in 1998 and thereafter.

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ARTICLE 2

Section 1. **TITLE.**

Section 2 may be referred to as the Mercury Emissions Consumer Information Act of 1997.

Sec. 2. **[116.925] ELECTRIC ENERGY; MERCURY EMISSIONS REPORT.**

Subdivision 1. **REPORT.** To address the shared responsibility between the providers and consumers of electricity for the protection of Minnesota's lakes, each electric utility, as defined in section 216B.38, subdivision 5, and each person that generates electricity in this state for that person's own use or for sale at retail or wholesale shall provide to the commissioner of the pollution control agency by April 1 an annual report of the amount of mercury emitted in generating that electricity at that person's facilities for the previous calendar year.

Subd. 2. **CONTENTS OF REPORT.** A report must include:

(1) a list of all generation facilities owned or operated by the utility or person subject to subdivision 1;

(2) all readily available information regarding the amount of electricity purchased by the utility or person subject to subdivision 1, for use in the state; and

(3) information for each facility owned or operated by the utility or person subject to subdivision 1, stating: (i) the amount of electricity generated at the facility for use or for sale in this state at retail or wholesale; (ii) the amount of fuel used to generate that electricity at the facility; and (iii) the amount of mercury emitted in generating that electricity in the previous calendar year, based on emission factors, stack tests, fuel analysis, or other methods approved by the commissioner. The report must include the mercury content of the fuel if it is determined in conjunction with a stack test.

(b) The following are de minimis standards for small and little-used generation facilities:

(1) less than 240 hours of operation by the combustion unit per year;

(2) a fuel capacity input at the combustion unit of less than 150 million British thermal units per hour; or

(3) an electrical generation unit with maximum output of less than or equal to 15 megawatts.

A utility or person subject to this section who owns or operates a combustion unit that qualifies under one of these de minimis standards is not required to provide the information described in paragraph (a) for that combustion unit.

(c) A report need not be filed for a combustion device for a year in which the device has documented mercury emissions of three pounds or less.

Subd. 3. **REPORT TO CONSUMERS.** By January 1, 1999, and biennially thereafter in the report on air toxics required under section 115D.15, the commissioner shall report the amount of mercury emitted in the generation of electricity.

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Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective the day following final enactment.

Presented to the governor May 19, 1997

Signed by the governor May 20, 1997, 10:47 a.m.

CHAPTER 192—S.F.No. 1316

An act relating to state agencies; modifying requirements for advisory councils and committees and multimember agencies; changing certain publication dates and requirements; changing expiration dates; amending Minnesota Statutes 1996, sections 15.059, subdivision 5, and by adding a subdivision; 15.0597, subdivisions 2 and 3; 15.0599, subdivisions 1, 4, 5, and by adding subdivisions; 16B.42, subdivision 1; 17.136; 17.49, subdivision 1; 18B.305, subdivision 3; 21.112, subdivision 2; 28A.20, subdivision 2, and by adding a subdivision; 31.95, subdivision 3a; 62Q.03, subdivision 5a; 120.1701, subdivision 3; 124.48, subdivision 3; 126.531, subdivision 3; 126.56, subdivision 5; 134.31, subdivision 5; 144.672, subdivision 1; 145.881, subdivision 1; 148.622, subdivision 3; 161.1419, subdivision 8; 175.008; 178.02, subdivision 2; 182.656, subdivision 3; 214.32, subdivision 1; 245.697, subdivision 1; 254A.035, subdivision 2; and 254A.04.

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

Section 1. Minnesota Statutes 1996, section 15.059, subdivision 5, is amended to read:

Subd. 5. **EXPIRATION DATE.** (a) Unless a different date is specified by law, the existence of each advisory council and committee created established before January 1, 1993 1997, and governed by this section shall terminate on terminates June 30, 1993 1997. An advisory council or committee whose expiration is not governed by this section does not terminate June 30, 1993, unless specified by other law. An advisory council or committee created established by law and in existence after June 30, 1993 1997, expires on the date specified in the law creating establishing the group or on June 30, 1997 2001, whichever is sooner. This expiration provision subdivision applies whether or not the law creating establishing the group provides that the group is governed by this section.

(b) An advisory council or committee does not expire in accordance with paragraph (a) if it:

- (1) is an occupational licensure advisory group to a licensing board or agency;
- (2) administers and awards grants; or
- (3) is required by federal law or regulation.

A council or committee covered by this paragraph expires June 30, 2001.

Sec. 2. Minnesota Statutes 1996, section 15.059, is amended by adding a subdivision to read:

New language is indicated by underline, deletions by strikeout.