

STATE OF MINNESOTA

# Journal of the Senate

EIGHTY-FIFTH LEGISLATURE

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EIGHTY-SEVENTH DAY

St. Paul, Minnesota, Thursday, March 6, 2008

The Senate met at 11:00 a.m. and was called to order by the President.

## CALL OF THE SENATE

Senator Pogemiller imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rabbi Simeon Glaser.

The roll was called, and the following Senators answered to their names:

Anderson	Erickson Ropes	Langseth	Ortman	Sieben
Bakk	Fischbach	Larson	Pappas	Skoe
Berglin	Foley	Latz	Pariseau	Skogen
Betzold	Frederickson	Limmer	Pogemiller	Sparks
Bonoff	Gerlach	Lourey	Prettner Solon	Stumpf
Carlson	Gimse	Lynch	Rest	Tomassoni
Chaudhary	Hann	Marty	Robling	Torres Ray
Clark	Higgins	Metzen	Rosen	Vandever
Cohen	Ingebrigtsen	Michel	Rummel	Vickerman
Dahle	Johnson	Moua	Saltzman	Wergin
Day	Jungbauer	Murphy	Saxhaug	Wiger
Dibble	Koch	Olseen	Scheid	
Dille	Koering	Olson, G.	Senjem	
Doll	Kubly	Olson, M.	Sheran	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## REPORTS OF COMMITTEES

Senator Pogemiller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

**Senator Scheid from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 3132:** A bill for an act relating to health; regulating medical debt information; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [325E.45] MINNESOTA MEDICAL PRIVACY PROTECTION ACT.

Subdivision 1. **Citation.** This section may be cited as the "Minnesota Medical Privacy Protection Act."

Subd. 2. **Findings.** The legislature finds and declares that the protection of financial and medical debt information of patients, and the provision of health care services, products, or devices to patients, is an important objective of the government of this state.

The legislature also finds and declares that medical debt incurred by patients should not prevent patients from receiving health care services, products, or devices from health care providers that accept medical assistance. Therefore, the legislature finds and declares that it is in the public interest to ensure that health care providers that accept medical assistance do not unnecessarily disclose an individual patient's financial or medical debt information to another entity, and that such health care providers do not obtain or use information from any entity that gathers, maintains, evaluates, or distributes individual patient financial or debt information until after health care services, products, or devices have been provided by the health care provider to the patient.

Subd. 3. **Purpose.** The legislature declares it to be the purpose of this section to protect a patient's financial and medical debt information and to ensure the provision of health care services, products, or devices despite a patient's medical debt.

Subd. 4. **Definitions.** For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Health care provider" has the meaning given in section 62J.03, subdivision 8, but does not include a "housing with services establishment," as defined in section 144D.01, subdivision 4, or an entity providing assisted living services, as described in section 144G.01.

(b) "Medical debt information" means any information relating to the payment history or indebtedness of a patient regarding health care services, products, or devices provided by a health care provider to a patient.

Subd. 5. **Prohibited conduct.** A health care provider shall not disclose an individual patient's financial or medical debt information to another entity.

A health care provider shall not obtain or use information from any entity that gathers, maintains, evaluates, or distributes individual patient financial or debt information until after health care services, products, or devices have been provided by the health care provider to the patient.

Subd. 6. **General exclusions.** Nothing in this section prevents a health care provider from sharing an individual patient's financial or medical debt information with the patient; the patient's insurer; the patient's authorized third-party debt management services provider as defined in section 332A.02; a third-party debt collector as defined in section 332.31, that the health care provider has contracted to collect the patient's medical debt; an attorney, accountant, or auditor employed by or acting on behalf of the health care provider; or the state or federal government as required by law.

Subd. 7. **Severability clause.** Each provision of this section is severable. Application of any

provision in this section to a particular circumstance is severable. If any provision of this section or application of a provision of this section is found to be contrary to law and unenforceable, the remaining provisions and applications of this section shall remain valid and enforceable under section 645.20.

Subd. 8. **Enforcement.** This section may be enforced pursuant to section 8.31.

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

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

**Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was re-referred**

**S.F. No. 2818:** A bill for an act relating to environment; establishing principles of a cap and trade program for greenhouse gas emissions; establishing a climate trust fund, and specifying its goals and uses; requiring studies; appropriating money from the general fund; proposing coding for new law in Minnesota Statutes, chapter 216H.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [216H.10] TITLE.

This act may be cited as the Green Solutions Act of 2008.

Sec. 2. [216H.11] CAP AND TRADE PROGRAM.

Subdivision 1. **Intent.** It is the intent of the legislature that Minnesota participate in the midwest regional cap and trade program to help achieve the greenhouse gas emissions reductions goals established in section 216H.02, subdivision 1.

Subd. 2. **Principles.** The legislature recognizes that the atmosphere and climate are common assets, and damage to them by greenhouse gas emissions are costs now borne by the public. Capping greenhouse gas emissions gives a market value to the ability to emit, and that market value should accrue to the public. It is the intent of the legislature that any cap and trade program:

(1) should cover as many emitting sectors as is administratively feasible, but excluding sectors from which emissions cannot be reliably quantified;

(2) should provide that the allowances created under a cap and trade system should accrue to the benefit of the public. To the extent that allowances are distributed through an auction, the revenue would help consumers and energy-intensive industries pay their energy costs and reduce their energy costs more quickly. Business concerns about paying the cost of allowances must be balanced with benefit to the public;

(3) should allow auctions to be phased in if necessary to protect consumers and industries from sudden price increases, provided that protections are in place to ensure that windfall profits do not accrue to entities allocated allowances during the transition;

(4) should be designed to obtain the emission reductions necessary to meet the cap from the capped sectors themselves rather than from sectors outside the cap;

(5) should not increase the emissions cap by allowing the issuance of allowances beyond the limits specified in section 216H.02; and

(6) should provide for equity to communities at risk of disproportionate economic and environmental impacts.

**Sec. 3. [216H.12] MIDWESTERN GREENHOUSE GAS ACCORD.**

(a) By December 1, 2008, the commissioner of commerce and the commissioner of the Pollution Control Agency shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy, environmental policy, and transportation policy:

(1) the status of the development of a model rule establishing a regional cap and trade program under the Midwestern Greenhouse Gas Accord;

(2) implementation mechanisms in the model rule, including required legislation;

(3) whether the regional cap and trade program will operate in a time frame that will allow Minnesota to meet the greenhouse gas reductions goals under section 216H.02, subdivision 1; and

(4) an evaluation of legislation enacted or pending in congress to implement a federal cap and trade program and whether implementation of a regional program is consistent with a federal program.

The report must address the degree to which any model rule being developed under the Midwestern Greenhouse Gas Accord incorporates the principles set forth in section 216H.11, and will operate in a time frame that will allow Minnesota to meet its greenhouse gas emissions reduction goals under section 216H.02, subdivision 1. If a model rule incorporating those principles and in accord with the state's emissions-reduction goals is not yet ready for adoption, or is unlikely to be adopted, the report must identify options for Minnesota to supplement the regional agreement with state policies, to join another regional cap and trade program, or to implement a cap and trade program in Minnesota alone.

(b) The senate and house, in accordance with the rules of their respective bodies, must appoint a bipartisan team of six legislators to serve in an advisory role to the governor's Midwestern Greenhouse Gas Accord stakeholder group. The legislators must receive regular briefings from the stakeholder group and have an opportunity to participate as observers in meetings of the regional negotiations and may offer advice.

(c) Any cap and trade agreements entered into are not effective in Minnesota until enacted into law.

**Sec. 4. [216H.13] STUDIES.**

Subdivision 1. **Governance study.** The commissioner of commerce may contract with the University of Minnesota or other state public institutions of higher education or may issue a request for proposals for a study that describes and analyzes several options regarding how decisions on expenditures of revenues captured by any cap and trade program may be made. The study must

examine:

(1) the role that the legislature, citizens, technical experts, and state agencies may play in decision making; and

(2) innovative decision-making structures and processes, including the Legislative-Citizens Commission on Minnesota Resources, and other examples in Minnesota and other states and countries that may offer useful models to consider. The results of the study must be reported to the chairs and ranking minority members of the senate and house committees with primary jurisdiction over energy and environmental policy by January 1, 2009. The commissioner may combine the study under this subdivision with the study described in subdivision 2.

Subd. 2. **Economic and emissions study.** The commissioner of commerce shall conduct a study of the economic, environmental, and public health costs and benefits of a cap and trade program incorporating the principles established in section 216H.11. The study shall consider the impact of the cap and trade program on individual industrial sectors subject to the program and on the state economy and consumers, and how expenditures of any auction revenues on the measures identified in subdivision 3 can reduce the economic costs and increase the economic, environmental, and public health benefits. The study must include:

(1) estimates of allowance prices and rates of investment by facilities subject to the cap and trade program in infrastructure and equipment to reduce emissions of greenhouse gases over time;

(2) estimates of increases in energy prices for fuels that produce greenhouse gas emissions, the impact of price increases on businesses and family income, and the degree of regressivity of the price increases and how to avoid regressive impacts;

(3) projections of likely revenues if allowances are auctioned;

(4) a detailed estimate of the degree to which different levels of expenditures of auction proceeds on the options listed under subdivision 3, clauses (1) to (6), would:

(i) reduce greenhouse gas emissions;

(ii) reduce economic costs to industry and households;

(iii) yield jobs and other economic benefits by stimulating economic activity, promoting the growth of new businesses, reducing how much money leaves the state to buy fossil fuels, or other means;

(iv) result in environmental and public health co-benefits by reducing pollutants other than greenhouse gases, improving habitat, or other means; and

(v) otherwise meet the goals identified in subdivision 4;

(5) discussion of the potential for any allowances allocated by the program to lead to windfall profits rather than be used to reduce consumer prices;

(6) an analysis of options to mitigate adverse competitive impacts on state businesses and methods to reduce disruptive impacts on workers, businesses, and consumers;

(7) options for criteria that decision makers can use to determine how to allocate expenditures

among the spending options listed under subdivision 3, balancing the goals set forth in subdivision 4;

(8) analysis of various mechanisms for protecting job loss in energy intensive industries subject to competition from outside the Midwestern Greenhouse Gas Accord region including steel, cement, paper, pulp, aluminum, and chemicals, including an analysis of possible mechanisms to account for the greenhouse gas emissions associated with the production and transportation of imported goods; and

(9) analysis of various mechanisms to provide for equity to communities at risk of disproportionate economic or environmental impacts.

The study shall consider the data and policy recommendations developed through the Minnesota Climate Change Advisory Group as well as the growing literature related to reducing greenhouse gas emissions. By January 1, 2009, the study must be submitted to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy and environmental policy.

Subd. 3. **Expenditures to be studied.** The study required under subdivision 2 shall consider the impacts of the following types of expenditures:

(1) direct per capita rebates to Minnesotans;

(2) grants and incentives to consumers to invest in energy efficiency and utilize renewable energy sources, or in other technologies, products or practices that help Minnesotans reduce energy costs, energy consumption, and greenhouse gas emissions;

(3) financial assistance to businesses that install technologies that reduce their facilities' greenhouse gas emissions, targeting energy-intensive industries facing competitors not subject to comparable regulation including, but not limited to, steel, pulp, paper, cement, chemicals, and aluminum;

(4) investments in public infrastructure that reduce greenhouse gas emissions;

(5) investments in worker training and retraining programs; and

(6) incentives for carbon sequestration on forest and farmland.

A majority of expenditures from the fund must be directed to uses under clauses (1) and (2).

Subd. 4. **Study criteria.** The study required by subdivision 2 shall determine the extent to which expenditures on the measures identified in subdivision 3 assist Minnesota in its transition to a low greenhouse gas-emitting economy, and increase the economic gains and reduce the dislocating impacts of the transition. Specifically, the study shall discuss the extent to which expenditures meet the following goals:

(1) produce cost-effective emission reductions;

(2) increase sustainable economic development, job creation, and job growth;

(3) reduce greenhouse gas emissions in sectors that do not participate in the cap and trade program;

(4) reduce disruptive economic impacts of the transition on workers, businesses, and consumers;

(5) equitably distribute the costs and benefits among state residents, communities, and economic sectors;

(6) assist low-income and other consumers to reduce their costs associated with greenhouse gas emissions; and

(7) protect and enhance public health, environmental quality, wildlife habitat, and the state's natural resources.

**Sec. 5. ASSESSMENT; APPROPRIATION.**

The commissioner of commerce may assess up to \$500,000 under Minnesota Statutes, section 216B.62. The sum assessed is appropriated to the commissioner for the purpose of section 4. The assessment is not subject to the cap on assessments provided by Minnesota Statutes, section 216B.62, or any other law.

**Sec. 6. EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to environment; establishing principles of a cap and trade program for greenhouse gas emissions; requiring studies; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216H."

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

**Senator Prettner Solon from the Committee on Energy, Utilities, Technology and Communications, to which was referred**

**S.F. No. 3337:** A bill for an act relating to energy; creating coordinated process for reducing greenhouse gas emissions; proposing coding for new law in Minnesota Statutes, chapter 216H.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

**"Section 1. [216H.07] GREENHOUSE GAS EMISSION REDUCTION ATTAINMENT; POLICY DEVELOPMENT PROCESS.**

Subdivision 1. **Definitions.** (a) For the purpose of this section, the terms defined in this subdivision have the meanings given them.

(b) "Reductions" means the greenhouse gas emissions reductions goals specified in section 216H.02, subdivision 1.

Subd. 2. **Purpose.** This section is intended to create a nonexclusive, regular, mandated process for the state to develop policies to attain the greenhouse gas reduction goals specified in section 216H.02.

Subd. 3. **Quantification of annual reduction required.** By November 1 of each year, the commissioners of commerce and the pollution control agency shall jointly report to the chairs and ranking minority members of the legislative committees with primary policy jurisdiction over energy and environmental issues and also disseminate through available public channels the reductions required in each year until 2050. The reductions must be based on and supported by the best available technical evidence that also must be reported to the legislature and publicly disseminated in easily understood nontechnical terms.

Subd. 4. **Annual strategic plan.** The commissioner shall include in the annual report under subdivision 3 a detailed plan for attaining the reductions. The plan must include draft legislation, including any budget requests, that are necessary for reduction attainment. The plan must specify the reductions that are required for a year and the reductions attributable to each component of the plan proposed to attain the reduction. The specifics of the plan for a particular year may be more general the more future the year but the plan must be as specific as available information will justify. The plan must be based on the principles specified in subdivision 5.

Subd. 5. **Reduction principles.** The reduction plan must be based on the following principles:

- (1) the reductions must be attained;
- (2) the reductions must be attained on a schedule that keeps pace with the reduction timetable required by section 216H.02, subdivision 1;
- (3) conservation, including ceasing some activities, doing some activities less, and doing some activities more energy efficiently, is the first choice for reduction;
- (4) public education is a key component;
- (5) all levels of government should lead by example;
- (6) strategies that may lead to economic dislocation should be phased in and should be coupled with strategies that address the dislocation; and
- (7) the plan must coordinate with other federal and regional greenhouse gas emission reduction requirements so that the state benefits and is not penalized from its reduction activities.

Subd. 6. **Public education.** Every plan must include a public education component. The education component must provide for dissemination of the latest evidence on the effects of greenhouse gas emissions. The education component must also stress that the reductions not only seek to reduce greenhouse gas emissions but also to conserve nonrenewable fossil fuel resources that have a dwindling supply. The fact that this dwindling supply may ultimately lead to the elimination of certain activities that are proposed to be limited by a plan must be emphasized.

Subd. 7. **Other states.** Every plan must include a review of the activities of other states to reduce greenhouse gas emissions, including a review of budgetary initiatives to achieve reductions.

Subd. 8. **Stakeholder involvement.** Public comment must be solicited in the development of the plan. The commissioners of commerce and the pollution control agency shall make a formal presentation of the plan to the Legislative Electric Energy Task Force at a meeting called for that purpose in November of each year. The commissioner shall provide the task force members with a preliminary draft plan by October 1 of each year."



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

**Senator Murphy from the Committee on Transportation, to which was referred**

**S.F. No. 3257:** A bill for an act relating to drivers' licenses; halting cumulative suspensions; amending Minnesota Statutes 2006, section 171.18, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

**Senator Murphy from the Committee on Transportation, to which was referred**

**S.F. No. 3058:** A bill for an act relating to transportation; authorizing urban partnership agreements to provide for user fees for use of high-occupancy vehicle lanes and dynamic shoulder lanes; exempting commissioner of transportation from rulemaking regarding urban partnership agreements, toll facilities, and final layouts for highways; imposing penalties; appropriating money; amending Minnesota Statutes 2006, sections 160.02, by adding a subdivision; 169.01, subdivision 31, by adding a subdivision; 169.306; proposing coding for new law in Minnesota Statutes, chapter 160.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, after "operators of" insert "": (1)"

Page 1, line 21, delete "and" and insert ""; and (2)"

Page 1, line 22, after "lanes" insert "within the I-35W corridor"

Page 2, line 16, after the semicolon, insert "and"

Page 2, line 17, delete "up to the amount allocated under clause (1)"

Page 2, line 19, delete ""; and" and insert a period

Page 2, delete lines 20 to 24

Page 2, line 25, delete "Rules exemption" and insert "Exemption from rulemaking and statutory requirements"

Page 2, line 28, delete "single-occupant"

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

**Senator Murphy from the Committee on Transportation, to which was referred**

**S.F. No. 3189:** A bill for an act relating to drivers' licenses; imposing \$30 reinstatement fee following revocation of juvenile's license; amending Minnesota Statutes 2006, section 171.29, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

**Senator Murphy from the Committee on Transportation, to which was referred**

**S.F. No. 3137:** A bill for an act relating to commuter rail; clarifying the commissioner of transportation's authority; providing for the operation and maintenance of commuter rail lines located in whole or in part within the metropolitan area; proposing coding for new law in Minnesota Statutes, chapters 174; 473.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Report adopted.

**Senator Pappas from the Committee on Higher Education, to which was referred**

**S.F. No. 3020:** A bill for an act relating to higher education; authorizing a law school loan repayment program for public defenders; appropriating money; amending Minnesota Statutes 2006, section 611.215, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 611.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

**Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred**

**S.F. No. 2313:** A bill for an act relating to state government; designating ice hockey as the official sport of the state; proposing coding for new law in Minnesota Statutes, chapter 1.

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

**Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred**

**S.F. No. 2370:** A bill for an act relating to education; establishing a P-20 education partnership; proposing coding for new law in Minnesota Statutes, chapter 127A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 14 to 17

Page 1, delete line 18 and insert:

"(4) two senators from the majority party and one senator from the minority party, appointed by the Subcommittee on"

Page 1, delete line 20 and insert:

"(5) two members of the house of representatives appointed by the speaker of the house, and one member appointed by the minority leader of the house;"

Page 1, line 21, delete "(8)" and insert "(6)"

Page 1, line 22, delete "(9)" and insert "(7)"

Page 1, line 23, delete "(10)" and insert "(8)"

Page 1, line 24, delete "(11)" and insert "(9)"

Page 2, line 1, delete "(12)" and insert "(10)"

Page 2, line 2, delete "(13)" and insert "(11)"

Page 2, line 3, delete "(14)" and insert "(12)"

Page 2, line 4, delete "(15)" and insert "(13)"

Page 2, line 6, delete "(16)" and insert "(14)"

Page 2, line 7, delete "(17)" and insert "(15)"

Page 2, line 8, delete "(18)" and insert "(16)"

Page 2, line 9, delete "(19)" and insert "(17)"

Page 2, line 10, delete "(20)" and insert "(18)"

Page 2, line 11, delete "(21)" and insert "(19)"

Page 2, line 12, delete "(22)" and insert "(20)"

Page 2, line 13, delete "(23)" and insert "(21)"

Page 2, line 14, delete "(24)" and insert "(22)"

Page 2, line 15, delete "(25)" and insert "(23)"

Page 2, line 16, delete "(26)" and insert "(24)"

Page 2, line 17, delete "(27)" and insert "(25)"

Page 2, line 18, delete "(28)" and insert "(26)"

Page 2, line 19, delete "(29)" and insert "(27)"

Page 2, line 21, delete "(30)" and insert "(28)"

Page 2, line 23, delete "(31)" and insert "(29)"

Page 2, delete lines 24 to 31 and insert:

"(b) Partnership members must be the chief executives, presidents, or other formally designated leaders of their respective organizations, or their designees. The partnership must meet at least once in each quarter of the calendar year. The commissioner of education, or the commissioner's designee, must convene the initial meeting of the partnership within 30 days after the completion of the appointments required by this section. The partnership must select a chairperson by a majority vote of all partnership members at the first meeting. Upon request of the partnership, the commissioner of education must provide meeting space and administrative services for the group."

Page 3, line 1, after "childhood" insert "educational"

Page 3, line 18, delete everything after "(b)" and insert "By January 15 of each year, the partnership shall submit a report to the governor and to the legislature under the process specified

in section 3.195"

Page 3, line 19, delete "November 15 of each year"

Page 3, after line 24, insert

"Sec. 2. **EFFECTIVE DATE.**

This section is effective the day after enactment."

And when so amended the bill do pass and be re-referred to the Committee on Higher Education. Amendments adopted. Report adopted.

**Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was referred**

**S.F. No. 2408:** A bill for an act relating to city of Minneapolis; allowing city to restrict use of engine brakes on Interstate Highway 394.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, before the period, insert ", with the cost of the signs to be paid by the city"

Page 1, line 15, delete everything after "day" and insert "following final enactment."

Page 1, delete lines 16 and 17

And when so amended the bill do pass and be re-referred to the Committee on Transportation. Amendments adopted. Report adopted.

**Senator Rest from the Committee on State and Local Government Operations and Oversight, to which was re-referred**

**S.F. No. 2988:** A bill for an act relating to pupil transportation; establishing qualifications for type III school bus drivers; providing criminal penalties; authorizing rulemaking; amending Minnesota Statutes 2006, sections 169A.03, subdivision 23; 171.02, by adding subdivisions; Minnesota Statutes 2007 Supplement, section 169.443, subdivision 9.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Transportation. Report adopted.

**Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred**

**S.F. No. 3115:** A bill for an act relating to economic development; requiring a standard business subsidy agreement for the JOBZ program; amending Minnesota Statutes 2006, section 469.310, subdivision 11.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

**"ARTICLE 1**

**JOBZ REQUIREMENTS**

Section 1. Minnesota Statutes 2006, section 116J.03, is amended by adding a subdivision to read:

Subd. 4. **Targeted rural opportunity community.** "Targeted rural opportunity community" means a city or township in a county that either lost population from 1980 to 2000 according to the decennial census or had an unemployment rate higher than the Minnesota state annual average in 2006 according to local area unemployment statistics published by the Department of Employment and Economic Development.

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

Sec. 2. Minnesota Statutes 2006, section 469.310, subdivision 11, is amended to read:

Subd. 11. **Qualified business.** (a) A person carrying on a trade or business at a place of business located within a job opportunity building zone is a qualified business for the purposes of sections 469.310 to 469.320 according to the criteria in paragraphs (b) to ~~(f)~~ (g).

(b) A person is a qualified business only on those parcels of land for which the person has entered into a business subsidy agreement, as required under ~~section~~ sections 469.3102 and 469.313, with the appropriate local government unit in which the parcels are located.

~~(c) Prior to execution of the business subsidy agreement, the local government unit must consider the following factors:~~

- ~~(1) how wages compare to the regional industry average;~~
- ~~(2) the number of jobs that will be provided relative to overall employment in the community;~~
- ~~(3) the economic outlook for the industry the business will engage in;~~
- ~~(4) sales that will be generated from outside the state of Minnesota;~~
- ~~(5) how the business will build on existing regional strengths or diversify the regional economy;~~
- ~~(6) how the business will increase capital investment in the zone; and~~
- ~~(7) any other criteria the commissioner deems necessary.~~

~~(c)~~ (c) 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 meets all of the requirements of paragraphs paragraph (b) and ~~(c)~~ and:

(1) increases full-time employment in the first full year of operation within the job opportunity building zone by a minimum of five jobs or 20 percent, whichever is greater, measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies; and

(2) enters a ~~binding written agreement with the commissioner~~ business subsidy agreement 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 for the taxable

year or for taxes payable during the year in which the requirements were not met; and

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

~~(e)~~ (d) The commissioner may waive the requirements under paragraph ~~(d)~~ (c), clause (1), if the commissioner determines that the qualified business will substantially achieve the factors under this subdivision.

~~(f)~~ (e) A business is not a qualified business if, at its location or locations in the zone, the business is primarily engaged in making retail sales to purchasers who are physically present at the business's zone location.

~~(g)~~ (f) A qualifying business must pay each employee compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

~~(h)~~ (g) A public utility, as defined in section 336B.01, is not a qualified business.

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

**Sec. 3. [469.3101] STATE REVIEW CRITERIA.**

(a) The commissioner may only approve a business subsidy agreement after considering:

(1) whether the business has local or Minnesota competitors that will be significantly and adversely effected by the business subsidy agreement;

(2) whether the proposed job creation, job retention, and capital investment is commensurate with the estimated tax benefits provided to the business by participating in JOBZ; and

(3) whether other financial assistance is available.

(b) Additionally, the commissioner may only approve a business subsidy agreement after considering if without the estimated tax benefits, the business:

(1) would not have expanded or began operations within Minnesota;

(2) would not have relocated from outside the state to Minnesota; or

(3) would have moved to another state or expanded in another state rather than remaining or expanding in Minnesota.

(c) The local government unit and the qualified business must provide the commissioner with the information that the commissioner needs to review a business subsidy agreement under paragraphs (a) and (b). The information must be in the form and manner required by the commissioner.

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

**Sec. 4. [469.3102] BUSINESS SUBSIDY AGREEMENTS; REPORTS.**

Subdivision 1. **JOBZ business subsidy agreement.** A business subsidy agreement required under section 469.310, subdivision 11, paragraph (b), must comply with this section.

Subd. 2. **Business subsidy agreement requirements.** A business subsidy agreement is not

effective until the commissioner has approved the agreement in writing. The commissioner may not approve an agreement that violates sections 116J.993 to 116J.995 or 469.310 to 469.3201. The commissioner may not approve an agreement unless:

- (1) the qualified business is required to create or retain a minimum number of jobs;
- (2) the agreement defines "jobs" for purposes of determining compliance with wage and job goals as all jobs and only those jobs that constitute "employment" for purposes of state unemployment insurance;
- (3) the qualified business is required to report all jobs created or retained because of JOBZ as a separate business location for purposes of section 268.044; and
- (4) the qualified business agrees to provide the appropriate data practices release so that the commissioner of revenue and the commissioner of employment and economic development can monitor compliance with the terms of the agreement.

Subd. 3. **Standard agreement.** The commissioner must develop and require the use of a standard business subsidy agreement that imposes definitive and enforceable obligations on the qualified business.

Subd. 4. **Business subsidy reports.** (a) A local government unit must annually report to the commissioner on the progress of the qualified business in meeting the goals listed in the business subsidy agreement. The report must be filed with the commissioner within 30 days of the end of the immediately preceding yearly period for which job creation, job retention, or investment obligations are imposed on a business and must be in a form prescribed by the commissioner. The commissioner must schedule department compliance reviews and reporting dates under business subsidy agreements so that reports are due throughout the year and compliance reviews are done on a continuous basis as reports are filed.

(b) The commissioner must hold a qualified business out of compliance or remove the business from the program if the qualified business fails to provide the information requested by the local government unit for the report under paragraph (a) within 30 days of written notice that the information is overdue. This report is in lieu of the reports required under section 116J.994, subdivisions 7 and 8.

Subd. 5. **Public notice and hearing.** A local government unit must provide public notice and hearing as required under section 116J.994, subdivision 5, before approving a business subsidy agreement. Public notice of a proposed business subsidy agreement must be published in a local newspaper of general circulation. The public hearing must be held in a location specified by the local government unit. Notwithstanding the requirements of section 116J.994, subdivision 5, the commissioner is not required to provide an additional public notice and hearing when entering into a business subsidy agreement with a local government unit and a qualified business.

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

Sec. 5. Minnesota Statutes 2006, section 469.312, subdivision 5, is amended to read:

Subd. 5. **Duration limit.** (a) 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.

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

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

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

(c) (1) Notwithstanding the 12-year zone limitation, all qualified businesses that sign a business subsidy agreement, as required under sections 469.310, subdivision 11, and 469.313, before December 31, 2015, are entitled to claim the tax benefits for which they qualify under section 469.315 for the year in which the business subsidy agreement is signed and ten additional years.

(2) Notwithstanding the 12-year zone limitation, all qualified businesses that sign a business subsidy agreement, as required under sections 469.310, subdivision 11, and 469.313, before December 31, 2015, and are located in a targeted rural opportunity community, as defined under section 116J.03, subdivision 4, are entitled to claim the tax benefits for which they qualify under section 469.315 for the year in which the business subsidy agreement is signed and 12 additional years.

(3) This paragraph does not apply to:

(i) any acreage designated as a job opportunity building zone for which any person has fully executed a business subsidy agreement before this paragraph became effective; or

(ii) any trade or business that relocated as defined in section 469.310, subdivision 12, and received benefits under section 469.315 prior to the relocation.

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

**Sec. 6. REVISOR'S INSTRUCTION.**

The revisor of statutes shall change the term "applicant" or similar terms to "local government unit" or similar terms wherever the term appears in Minnesota Statutes, sections 469.310 to 469.3201 and in any other sections referring to the JOBZ program. The revisor shall also make grammatical changes related to the changes in terms.

**Sec. 7. REPEALER.**

Minnesota Statutes 2006, section 469.310, subdivision 3, is repealed.

**ARTICLE 2**

**JOBZ TAX PROVISIONS**

Section 1. Minnesota Statutes 2006, section 469.319, is amended to read:

**469.319 REPAYMENT OF TAX BENEFITS BY BUSINESSES THAT NO LONGER OPERATE IN A ZONE.**

Subdivision 1. **Repayment obligation.** A business must repay the ~~amount of the total tax reduction benefits~~ listed in section 469.315 ~~and any refund under section 469.318 in excess of tax~~



~~liability, received during the two years immediately before it (1) ceased to operate in the zone, if the business:~~

~~(1) received tax reductions authorized by section 469.315; and~~

~~(2)(i) did not meet the goals specified in an agreement entered into with the applicant that states any obligation the qualified business must fulfill in order to be eligible for tax benefits. The commissioner of employment and economic development may extend for up to one year the period for meeting any goals provided in an agreement. The applicant may extend the period for meeting other goals by documenting in writing the reason for the extension and attaching a copy of the document to its next annual report to the commissioner of employment and economic development; or~~

~~(ii) ceased to operate its facility located within the job opportunity building zone perform a substantial level of activities described in the business subsidy agreement, or (2) otherwise ceases ceased to be or is not a qualified business, other than those subject to the provisions of section .~~

Subd. 1a. **Repayment obligation of businesses not operating in zone.** Persons that receive benefits without operating a business in a zone are subject to repayment under this section if the business for which those benefits relate is subject to repayment under this section. Such persons are deemed to have ceased performing in the zone on the same day that the qualified business for which the benefits relate becomes subject to repayment under subdivision 1.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

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

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

(d) "Persons that receive benefits without operating a business in a zone" means persons that claim benefits under section 469.316, subdivision 2 or 4, as well as persons that own property leased by a qualified business and are eligible for benefits under section 272.02, subdivision 64, or 297A.68, subdivision 37, paragraph (b).

Subd. 3. **Disposition of 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~~ taxing authorities 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 commissioner for distribution 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~~ becoming subject to repayment under this section. 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~~ becoming subject to repayment under this section.

(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 and to the taxpayer of record. The business must pay the taxes to the county treasurer within 30 days after receipt of the tax statement. The business or the taxpayer of record may appeal the valuation and determination of the property tax to the Tax Court within 30 days after receipt of the tax statement.

(d) The provisions of chapters 270C 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 270C.40, from 30 days after ~~ceasing to do business in the job opportunity building zone~~ becoming subject to repayment under this section 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~~ auditor provided the statement under paragraph (c).

(f) For determining the tax required to be repaid, a tax reduction of a state or local sales or use tax 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 or on the date a refund was issued for a refundable tax credit—good or service was purchased or first put to a taxable use. In the case of an income tax or franchise tax, including the credit payable under section 469.318, a reduction of tax is deemed to have been received for the two most recent tax years that have ended prior to the date that the business became subject to repayment under this section. In the case of a property tax, a reduction of tax is deemed to have been received for the taxes payable in the year that the business became subject to repayment under this section and for the taxes payable in the prior year.

(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~~ becomes subject to repayment under subdivision 1, or within any period of limitations for the assessment of tax under section 289A.38, whichever period is later. The county auditor may send the statement under paragraph (c) any time within three years after the business becomes subject to repayment under subdivision 1.

(h) A business is not entitled to any income tax or franchise tax benefits, including refundable credits, for any part of the year in which the business becomes subject to repayment under this section nor for any year thereafter. Property is not exempt from tax under section 272.02, subdivision 64, for any taxes payable in the year following the year in which the property became subject to repayment under this section nor for any year thereafter. A business is not eligible for any sales tax benefits beginning with goods or services purchased or first put to a taxable use on the day that the business becomes subject to repayment under this section.

**Subd. 5. Waiver authority.** (a) The commissioner may waive all or part of a repayment required under subdivision 1, if the commissioner, in consultation with the commissioner of employment 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.

(b)(1) The commissioner shall waive repayment required under subdivision 1a if the commissioner has waived repayment by the operating business under subdivision 1, unless the person that received benefits without having to operate a business in the zone was a contributing factor in the qualified business becoming subject to repayment under subdivision 1;

(2) the commissioner shall waive the repayment required under subdivision 1a, even if the repayment has not been waived for the operating business if:

(i) the person that received benefits without having to operate a business in the zone and the business that operated in the zone are not related parties as defined in section 267(b) of the Internal Revenue Code of 1986, as amended through December 31, 2007; and

(ii) actions of the person were not a contributing factor in the qualified business becoming subject to repayment under subdivision 1.

Subd. 6. **Reconciliation.** Where this section is inconsistent with section 116J.994, subdivision 3, paragraph (e), or 6, or any other provisions of sections 116J.993 to 116J.995, this section prevails.

**EFFECTIVE DATE.** The amendment to subdivision 4, paragraph (c), of this section is effective the day following final enactment. The amendment to subdivision 4, paragraph (f), is effective retroactively from January 1, 2008, and applies to all businesses that become subject to this section in 2008 and thereafter. The rest of this section is effective retroactively from January 1, 2004, except that for violations that occur before the day following final enactment, this section does not apply if the business has repaid the benefits or the commissioner has granted a waiver.

**Sec. 2. [] BREACH OF AGREEMENTS BY BUSINESSES THAT CONTINUE TO OPERATE IN ZONE.**

(a) A "business in violation of its business subsidy agreement but not subject to section 469.319" means a business that is operating in violation of the business subsidy agreement but maintains a level of operations in the zone that does not subject it to the repayment provisions of section 469.319, subdivision 1, clause (1).

(b) A business described in paragraph (a) that does not sign a new or amended business subsidy agreement, as authorized under paragraph (h), is subject to repayment of benefits under section 469.319 from the day that it ceases to perform in the zone a substantial level of activities described in the business subsidy agreement.

(c) A business described in paragraph (a) ceases being a qualified business after the last day that it has to meet the goals stated in the agreement.

(d) A business is not entitled to any income tax or franchise tax benefits, including refundable

credits, for any part of the year in which the business is no longer a qualified business under paragraph (c), and thereafter. A business is not eligible for sales tax benefits beginning with goods or services purchased or put to a taxable use on the day that it is no longer a qualified business under paragraph (c). Property is not exempt from tax under section 272.02, subdivision 64, for any taxes payable in the year following the year in which the business is no longer a qualified business under paragraph (c), and thereafter.

(e) A business described in paragraph (a) that wants to resume eligibility for benefits under section 469.315 must request that the commissioner of employment and economic development determine the length of time that the business is ineligible for benefits. The commissioner shall determine the length of ineligibility by applying the proportionate level of performance under the agreement to the total duration of the zone as measured from the date that the business subsidy agreement was executed. The length of time must not be less than one full year for each tax benefit listed in section 469.315. The commissioner of employment and economic development and the appropriate local government officials shall consult with the commissioner of revenue to ensure that the period of ineligibility includes at least one full year of benefits for each tax.

(f) The length of ineligibility determined under paragraph (e) must be applied by reducing the zone duration for the property by the duration of the ineligibility.

(g) The zone duration of property that has been adjusted under paragraph (f) must not be altered again to permit the business additional benefits under section 469.315.

(h) A business described in paragraph (a) becomes eligible for benefits available under section 469.315 by entering into a new or amended business subsidy agreement with the appropriate local government unit. The new or amended agreement must cover a period beginning from the date of ineligibility under the original business subsidy agreement, through the zone duration determined by the commissioner under paragraph (f). No exemption of property taxes under section 272.02, subdivision 64, is available under the new or amended agreement for property taxes due or paid before the date of the final execution of the new or amended agreement, but unpaid taxes due after that date need not be paid.

(i) A business that violates the terms of an agreement authorized under paragraph (h) is permanently barred from seeking benefits under section 469.315 and is subject to the repayment provisions under section 469.319 effective from the day that the business ceases to operate as a qualified business in the zone under the second agreement.

**EFFECTIVE DATE.** This section is effective retroactively from January 1, 2004. For violations that occur before the day following final enactment, this section does not apply if the business has repaid the benefits or the commissioner has granted a waiver.

**Sec. 3. [469.3192] PROHIBITION AGAINST AMENDMENTS TO BUSINESS SUBSIDY AGREEMENT.**

Except as authorized under section , under no circumstance shall terms of any agreement required as a condition for eligibility for benefits listed under section 469.315 be amended to change job creation, job retention, or wage goals included in the agreement.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all agreements executed before, on, or after the effective date.

**Sec. 4. [469.3193] CERTIFICATION OF CONTINUING ELIGIBILITY FOR JOBZ BENEFITS.**

(a) By December 1 of each year, every qualified business must certify to the commissioner of revenue, on a form prescribed by the commissioner of revenue, whether it is in compliance with any agreement required as a condition for eligibility for benefits listed under section 469.315. A business that fails to submit the certification, or any business, including those still operating in the zone, that submits a certification that the commissioner of revenue later determines materially misrepresents the business's compliance with the agreement, is subject to the repayment provisions under section 469.319 from January 1 of the year in which the report is due or the date that the business became subject to section 469.319, whichever is earlier. Any such business is permanently barred from obtaining benefits under section 469.315. For purposes of this section, the bar applies to an entity and also applies to any individuals or entities that have an ownership interest of at least 20 percent of the entity.

(b) Before the sanctions under paragraph (a) apply to a business that fails to submit the certification, the commissioner of revenue shall send notice to the business, demanding that the certification be submitted within 30 days and advising the business of the consequences for failing to do so. The commissioner of revenue shall notify the commissioner of employment and economic development and the appropriate job opportunity subzone administrator whenever notice is sent to a business under this paragraph.

(c) The certification required under this section is public.

(d) The commissioner of revenue shall promptly notify the commissioner of employment and economic development of all businesses that certify that they are not in compliance with the terms of their business subsidy agreement and all businesses that fail to file the certification.

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

### ARTICLE 3

#### STATE AUDITOR AND JOBZ

Section 1. Minnesota Statutes 2007 Supplement, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

- (1) state and federal agencies specifically authorized access to the data by state or federal law;
- (2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;
- (3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 256.978;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry and the Division of Insurance Fraud Prevention in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;

(9) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program by providing data on recipients and former recipients of food stamps or food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(10) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(11) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(12) the United States Citizenship and Immigration Services has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(13) the Department of Health for the purposes of epidemiologic investigations; ~~and~~

(14) the Department of Corrections for the purpose of postconfinement employment tracking of individuals who had been committed to the custody of the commissioner of corrections; ~~and~~

(15) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

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

Sec. 2. Minnesota Statutes 2006, section 270B.15, is amended to read:

**270B.15 DISCLOSURE TO LEGISLATIVE AUDITOR AND STATE AUDITOR.**

(a) Returns and return information must be disclosed to the legislative auditor to the extent necessary for the legislative auditor to carry out sections 3.97 to 3.979.

(b) The commissioner must disclose return information, including the report required under section 289A.12, subdivision 15, to the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201.

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

Sec. 3. Minnesota Statutes 2006, section 289A.12, is amended by adding a subdivision to read:

**Subd. 15. Report of job opportunity zone benefits; penalty for failure to file report.** (a) By October 15 of each year, every qualified business, as defined under section 469.310, subdivision 11, must file with the commissioner, on a form prescribed by the commissioner, a report listing the tax benefits under section 469.315 received by the business for the previous year.

(b) The commissioner shall send notice to each business that fails to timely submit the report required under paragraph (a). The notice shall demand that the business submit the report within 60 days. Where good cause exists, the commissioner may extend the period for submitting the report as long as a request for extension is filed by the business before the expiration of the 60-day period. The commissioner shall notify the commissioner of the Department of Employment and Economic Development and the appropriate job opportunity subzone administrator whenever notice is sent to a business under this paragraph.

(c) A business that fails to submit the report as required under paragraph (b) is no longer a qualified business under section 469.310, subdivision 11, and is subject to the repayment provisions of section 469.319.

**EFFECTIVE DATE.** This section is effective beginning with reports required to be filed October 15, 2008.

Sec. 4. Minnesota Statutes 2006, section 469.3201, is amended to read:

**469.3201-JOBZ EXPENDITURE LIMITATIONS; AUDITS STATE AUDITOR; AUDITS OF JOB OPPORTUNITY BUILDING ZONES AND BUSINESS SUBSIDY AGREEMENTS.**

The Tax Increment Financing, Investment and Finance Division of the Office of the State Auditor must annually audit the creation and operation of all job opportunity building zones and business subsidy agreements entered into under Minnesota Statutes, sections 469.310 to 469.320. To the extent necessary to perform this audit, the state auditor may request from the commissioner of revenue tax return information of taxpayers who are eligible to receive tax benefits authorized under section 469.315. To the extent necessary to perform this audit, the state auditor may request from the commissioner of employment and economic development wage detail report information required under section 268.044 of taxpayers eligible to receive tax benefits authorized under section 469.315.

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

**ARTICLE 4**

**REGIONAL EMERGING BUSINESS INVESTMENT TAX CREDIT****Section 1. [116J.8746] REGIONAL EMERGING BUSINESS INVESTMENT TAX CREDIT.**

Subdivision 1. **Definitions.** For the purposes of this section, the following terms have the meanings given:

(1) "qualifying small business" means a business that:

(i) for a business with five or more employees, pays wages and benefits, measured on a full-time equivalent basis, to 75 percent or more of its employees in excess of the first five employees, equal to 110 percent of the federal poverty level for a family of four;

(ii) is engaged in, or is committed to engage in, biotechnology, technology, manufacturing, agriculture, processing or assembling products, conducting research and development, or developing a new product or business process;

(iii) is not engaged in real estate development, insurance, banking, lobbying, political consulting, wholesale or retail trade, leisure, hospitality, construction, or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants;

(iv) has its headquarters in Minnesota;

(v) employs at least 51 percent of the business's employees in Minnesota;

(vi) has less than 100 employees;

(vii) has less than \$2,000,000 in annual gross sales receipts for the previous year;

(viii) is not a subsidiary or an affiliate of a business which employs more than 100 employees or has total gross sales receipts for the previous year of more than \$....., computed by aggregating all of the employees and gross sales receipts of the business entities affiliated with the business;

(ix) has not previously received more than \$2,000,000 in private equity investments; and

(x) has not previously received more than \$1,000,000 in investments that have qualified for and received tax credits under this section; and

(2) "regional investment fund" means a pooled investment fund that:

(i) invests in qualifying small businesses located in the region of the state that is the focus of the fund;

(ii) is organized as a limited liability company or other pass-through entity; and

(iii) has no fewer than five separate investors, each not owning more than 25 percent of the outstanding ownership interests in the fund. For purposes of determining the number of investors and the ownership interest of an investor under this clause, the ownership interests of an investor include those of the investor's spouse, children, and siblings, and any of the investor's corporations, partnerships, and trusts in which the investor has a controlling equity interest or in which the investor exercises management control.

Subd. 2. **Credit allowed.** A taxpayer is allowed a credit against the tax imposed under chapter



290 for qualifying investments made in the year by a qualifying regional investment fund. The credit equals 25 percent of the taxpayer's investment made in the fund, but not to exceed the lesser of:

(1) the liability for tax under chapter 290, including the applicable alternative minimum tax, but excluding the minimum fee under section 290.0922; and

(2) the amount of the certificate provided to the taxpayer by the fund under subdivision 4.

Subd. 3. **Qualifying regional investment fund requirements.** (a) To be certified as a qualifying regional investment fund for purposes of this section, a regional investment fund must:

(1) have a minimum of two-thirds of the regional investment fund's members, shareholders, or partners be residents of the region that is the focus of the fund; and

(2) allocate at least 60 percent of the funds it invests, or plans to invest, to qualified small businesses within the region.

(b) Investments from other regional investment funds into the qualified small business shall count toward the allocation in paragraph (a), clause (2).

(c) Investments in the fund may consist of equity investments or notes that pay interest or other fixed amounts, or any combination of both, as the fund's governing body determines appropriate.

Subd. 4. **Certification of funds.** (a) Regional investment funds may apply to the commissioner of employment and economic development for certification as a qualified regional investment fund. The application must be in the form and made under the procedures specified by the commissioner.

(b) The commissioner may certify up to 20 funds. Certifications shall be awarded in the order of qualifying applications received. Of the 20 funds, the commissioner may certify no more than three funds that seek business investment opportunities that may qualify for and receive tax credits under this section in more than 15 Minnesota counties, no more than five funds that seek business investment opportunities that may qualify for and receive tax credits under this section in the metropolitan area, as defined in section 473.121, subdivision 2, and no more than three funds that seek business investment opportunities that may qualify for and receive tax credits under this subdivision in the same region of the state.

(c) The commissioner may provide certificates entitling investors in a certified fund to credits under this provision of up to \$..... for each fund upon receipt of a report from the fund showing evidence of compliance with the agreement under subdivision 5, including investment in a qualifying small business. The commissioner may not issue a total amount of certificates for all funds of more than \$..... per year in fiscal year 2009. If less than \$..... a year is spent, the remaining funds may be carried over to the following two fiscal years. Certificates may only be issued for investments made by qualified funds in qualifying small businesses located in the region in which the fund operates.

Subd. 5. **Fund requirements.** The commissioner of employment and economic development shall enter into an agreement with each of the qualifying regional investment funds certified under subdivision 4. Each agreement must include a provision requiring the qualifying regional investment fund to report on the employment figures, wages, and benefits paid by the businesses in which investments are made, or are planned to be made, and a provision stating the specific manner in which the regional investment fund agrees to satisfy the requirement to allocate at least 60 percent

of its investments to qualified small businesses within the region. The commissioner shall define "region" for the purposes of this section.

Subd. 6. **Limitations.** The taxpayer must claim the credit in the same tax year for which the fund receives the tax credit certificate under subdivision 4. The credit is allowed only for investments made in qualifying regional investment funds after the fund is certified by the commissioner of employment and economic development under subdivision 4.

Subd. 7. **Statement of credit share.** Each fund must provide to each investor a statement indicating the investor's share of the credit certified to the fund under subdivision 4, based on the investor's pro rata investment in the fund at the time of the investment in the qualified small business.

Subd. 8. **Carryover.** If the amount of the credit under this section for any taxable year exceeds the amount reached under subdivision 2, clause (1), the excess is a credit carryover to each of the ten succeeding taxable years. The entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried. The amount of the unused credit that may be added under this subdivision may not exceed the taxpayer's liability for tax, less the credit for the taxable year.

Subd. 9. **False applications.** (a) A taxpayer who has received a credit under this act for an investment in a regional investment fund forfeits any unused credit if:

- (1) the regional investment fund does not meet the conditions of subdivision 3; or
- (2) the small business invested in by the fund does not meet the conditions in subdivision 1.

(b) Any credits taken on a tax return shall be returned to the commissioner of revenue as an underpayment of tax, if:

- (1) the regional investment fund does not meet the conditions of subdivision 3; or
- (2) the small business invested in by the fund does not meet the conditions in subdivision 1.

**EFFECTIVE DATE.** This section is effective July 1, 2008, for taxable years beginning after December 31, 2007, and only applies to investments made after the fund has been certified by the commissioner of employment and economic development.

Sec. 2. Minnesota Statutes 2006, section 290.06, is amended by adding a subdivision to read:

Subd. 34. **Regional emerging business investment tax credit.** A taxpayer is allowed a credit as determined under section 116J.8746 against the tax imposed by this chapter.

**EFFECTIVE DATE.** This section is effective July 1, 2008, for taxable years beginning after December 31, 2007, and only applies to investments made after the fund has been certified by the commissioner of employment and economic development."

Delete the title and insert:

"A bill for an act relating to economic development; modifying provisions governing the job opportunity building zones program (JOBZ); modifying tax provisions relating to JOBZ; providing reporting requirements; providing a tax credit; allowing tax benefits; defining terms; amending

Minnesota Statutes 2006, sections 116J.03, by adding a subdivision; 270B.15; 289A.12, by adding a subdivision; 290.06, by adding a subdivision; 469.310, subdivision 11; 469.312, subdivision 5; 469.319; 469.3201; Minnesota Statutes 2007 Supplement, section 268.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 116J; 469; repealing Minnesota Statutes 2006, section 469.310, subdivision 3."

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

**Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred**

**S.F. No. 2806:** A bill for an act relating to economic development; clarifying conflict of interest rules for local economic development authorities; providing criminal penalties; amending Minnesota Statutes 2006, section 469.098.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 2, insert:

"Subd. 7. **Exceptions.** The exceptions in section 471.88 apply to this section.

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

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

**Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred**

**S.F. No. 3107:** A bill for an act relating to economic development; establishing a grant program for innovative technology and economic development research at the University of Minnesota; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

**Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred**

**S.F. No. 3109:** A bill for an act relating to economic development; implementing certain strategic entrepreneurial economic development initiatives; appropriating money; amending Minnesota Statutes 2006, sections 116J.03, by adding a subdivision; 116J.656; 116J.66; 116J.68; 116L.02; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Report adopted.

**Senator Metzen from the Committee on Business, Industry and Jobs, to which was referred**

**S.F. No. 3271:** A bill for an act relating to insurance taxes; providing a credit for investment in start-up and emerging Minnesota businesses; proposing coding for new law in Minnesota Statutes, chapters 116J; 297I.

Reports the same back with the recommendation that the bill be amended as follows:

Page 10, delete lines 1 to 5

Page 10, line 6, delete "(i)" and insert "(h)"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

**Senator Marty from the Committee on Health, Housing and Family Security, to which was referred**

**S.F. No. 2833:** A bill for an act relating to health; requiring public pools and spas to be equipped with anti-entrapment devices or systems; amending Minnesota Statutes 2006, sections 144.1222, subdivision 1a, by adding subdivisions; 157.16, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 144.1222, subdivision 1a, is amended to read:

Subd. 1a. **Fees.** All plans and specifications for public swimming pool and spa construction, installation, or alteration or requests for a variance that are submitted to the commissioner according to Minnesota Rules, part 4717.3975, shall be accompanied by the appropriate fees. All public pool construction plans submitted for review after January 1, 2009, must be certified by a professional engineer registered in the state of Minnesota. If the commissioner determines, upon review of the plans, that inadequate fees were paid, the necessary additional fees shall be paid before plan approval. For purposes of determining fees, a project is defined as a proposal to construct or install a public pool, spa, special purpose pool, or wading pool and all associated water treatment equipment and drains, gutters, decks, water recreation features, spray pads, and those design and safety features that are within five feet of any pool or spa. The commissioner shall charge the following fees for plan review and inspection of public pools and spas and for requests for variance from the public pool and spa rules:

(1) each spa pool, ~~\$500~~ \$800;

(2) ~~projects valued at \$250,000 or less, a minimum of \$800 per pool plus:~~ each spa pool, \$500;

~~(i) (3) for each slide, an additional \$400; and~~

~~(ii) for each spa pool, an additional \$500;~~

~~(3) (4) projects valued at \$250,000 or more, the greater of the sum of the fees in clauses (1), (2), and (3) or 0.5 percent of the documented estimated project cost to a maximum fee of \$10,000;~~

~~(4) (5) alterations to an existing pool without changing the size or configuration of the pool, \$400;~~

~~(5) (6) removal or replacement of pool disinfection equipment only, \$75; and~~

~~(6) (7) request for variance from the public pool and spa rules, \$500.~~

Sec. 2. Minnesota Statutes 2006, section 144.1222, is amended by adding a subdivision to read:

Subd. 1c. **Public pool construction.** For all public pools constructed after January 1, 2009, each pump must be connected to at least two suction outlets, connected in parallel with suction outlet covers that meet ASME/ANSI standards.

Sec. 3. Minnesota Statutes 2006, section 144.1222, is amended by adding a subdivision to read:

Subd. 1d. **Public pools; required equipment.** (a) Beginning January 1, 2009, all public pools with the deepest water being less than four feet deep must have either:

(1) an unblockable suction outlet or drain; or

(2) at least two suction outlets, connected in parallel with suction outlet covers that meet ASME/ANSI standards.

(b) Beginning January 1, 2010, all other existing public pools must have either:

(1) an unblockable suction outlet or drain; or

(2) at least two suction outlets, connected in parallel with suction outlet covers that meet ASME/ANSI standards.

(c) By June 1, 2008, all drain covers and grates must be installed with screws that meet the manufacturer's specifications.

(d) By July 1, 2008, and annually thereafter, all public pool owners must certify to the commissioner on a form prescribed by the commissioner that:

(1) all outlets except for unblockable drains are equipped with covers that have been stamped by the manufacturer that they are in compliance with ASME/ANSI standards; and

(2) all covers and grates, including mounting rings, have been inspected to ensure that they have been properly installed and are not broken or loose.

Sec. 4. Minnesota Statutes 2006, section 144.1222, is amended by adding a subdivision to read:

Subd. 1e. **Safety inspections.** (a) The pool operator is required to inspect the drain covers and grates on a daily basis. The record required under Minnesota Rules, part 4717.0750, must indicate that this inspection was completed every day the pool is open for use.

(b) If at any time an outlet cover or grate is missing, broken, or loose, the pool must be closed immediately and may not be reopened until the cover or grate has been replaced and properly installed.

Sec. 5. Minnesota Statutes 2006, section 144.1222, is amended by adding a subdivision to read:

Subd. 4. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "ASME/ANSI standard" means a safety standard accredited by the American National Standards Institute and published by the American Society of Mechanical Engineers.

(c) "ASTM standard" means a safety standard issued by ASTM International, formerly known

as the American Society for Testing and Materials.

(d) "Public pool" means any pool other than a private residential pool, that is open to the public generally, whether for a fee or free of charge; open exclusively to members of an organization and their guests; residents of a multiunit apartment building, apartment complex, residential real estate development, or other multifamily residential area; or patrons of a hotel or lodging or other public accommodation facility; or operated by a person in a park, school, licensed child care facility, group home, motel, camp, resort, club, condominium, manufactured home park, or political subdivision with the exception of swimming pools at family day care homes licensed under section 245A.14, subdivision 11, paragraph (a).

(e) "Unblockable suction outlet or drain" means a drain of any size and shape that a human body cannot sufficiently block to create a suction entrapment hazard and meets ASME/ANSI standards.

Sec. 6. Minnesota Statutes 2006, section 157.16, as amended by Laws 2007, chapter 147, article 9, section 34, is amended to read:

#### **157.16 LICENSES REQUIRED; FEES.**

Subdivision 1. **License required annually.** A license is required annually for every person, firm, or corporation engaged in the business of conducting a food and beverage service establishment, hotel, motel, lodging establishment, public pool, or resort. Any person wishing to operate a place of business licensed in this section shall first make application, pay the required fee specified in this section, and receive approval for operation, including plan review approval. Seasonal and temporary food stands and special event food stands are not required to submit plans. Nonprofit organizations operating a special event food stand with multiple locations at an annual one-day event shall be issued only one license. Application shall be made on forms provided by the commissioner and shall require the applicant to state the full name and address of the owner of the building, structure, or enclosure, the lessee and manager of the food and beverage service establishment, hotel, motel, lodging establishment, public pool, or resort; the name under which the business is to be conducted; and any other information as may be required by the commissioner to complete the application for license.

Subd. 2. **License renewal.** Initial and renewal licenses for all food and beverage service establishments, hotels, motels, lodging establishments, public pools, and resorts shall be issued for the calendar year for which application is made and shall expire on December 31 of such year. Any person who operates a place of business after the expiration date of a license or without having submitted an application and paid the fee shall be deemed to have violated the provisions of this chapter and shall be subject to enforcement action, as provided in the Health Enforcement Consolidation Act, sections 144.989 to 144.993. In addition, a penalty of \$50 shall be added to the total of the license fee for any food and beverage service establishment operating without a license as a mobile food unit, a seasonal temporary or seasonal permanent food stand, or a special event food stand, and a penalty of \$100 shall be added to the total of the license fee for all restaurants, food carts, hotels, motels, lodging establishments, public pools, and resorts operating without a license for a period of up to 30 days. A late fee of \$300 shall be added to the license fee for establishments operating more than 30 days without a license.

Subd. 2a. **Food manager certification.** An applicant for certification or certification renewal as a food manager must submit to the commissioner a \$28 nonrefundable certification fee payable to the Department of Health.

Subd. 3. **Establishment fees; definitions.** (a) The following fees are required for food and beverage service establishments, hotels, motels, lodging establishments, public pools, and resorts licensed under this chapter. Food and beverage service establishments must pay the highest applicable fee under paragraph (d), clause (1), (2), (3), or (4), and establishments serving alcohol must pay the highest applicable fee under paragraph (d), clause (6) or (7). The license fee for new operators previously licensed under this chapter for the same calendar year is one-half of the appropriate annual license fee, plus any penalty that may be required. The license fee for operators opening on or after October 1 is one-half of the appropriate annual license fee, plus any penalty that may be required.

(b) All food and beverage service establishments, except special event food stands, and all hotels, motels, lodging establishments, public pools, and resorts shall pay an annual base fee of \$150.

(c) A special event food stand shall pay a flat fee of \$40 annually. "Special event food stand" means a fee category where food is prepared or served in conjunction with celebrations, county fairs, or special events from a special event food stand as defined in section 157.15.

(d) In addition to the base fee in paragraph (b), each food and beverage service establishment, other than a special event food stand, and each hotel, motel, lodging establishment, public pool, and resort shall pay an additional annual fee for each fee category, additional food service, or required additional inspection specified in this paragraph:

(1) Limited food menu selection, \$50. "Limited food menu selection" means a fee category that provides one or more of the following:

(i) prepackaged food that receives heat treatment and is served in the package;

(ii) frozen pizza that is heated and served;

(iii) a continental breakfast such as rolls, coffee, juice, milk, and cold cereal;

(iv) soft drinks, coffee, or nonalcoholic beverages; or

(v) cleaning for eating, drinking, or cooking utensils, when the only food served is prepared off site.

(2) Small establishment, including boarding establishments, \$100. "Small establishment" means a fee category that has no salad bar and meets one or more of the following:

(i) possesses food service equipment that consists of no more than a deep fat fryer, a grill, two hot holding containers, and one or more microwave ovens;

(ii) serves dipped ice cream or soft serve frozen desserts;

(iii) serves breakfast in an owner-occupied bed and breakfast establishment;

(iv) is a boarding establishment; or

(v) meets the equipment criteria in clause (3), item (i) or (ii), and has a maximum patron seating capacity of not more than 50.

(3) Medium establishment, \$260. "Medium establishment" means a fee category that meets one or more of the following:

(i) possesses food service equipment that includes a range, oven, steam table, salad bar, or salad preparation area;

(ii) possesses food service equipment that includes more than one deep fat fryer, one grill, or two hot holding containers; or

(iii) is an establishment where food is prepared at one location and served at one or more separate locations.

Establishments meeting criteria in clause (2), item (v), are not included in this fee category.

(4) Large establishment, \$460. "Large establishment" means either:

(i) a fee category that (A) meets the criteria in clause (3), items (i) or (ii), for a medium establishment, (B) seats more than 175 people, and (C) offers the full menu selection an average of five or more days a week during the weeks of operation; or

(ii) a fee category that (A) meets the criteria in clause (3), item (iii), for a medium establishment, and (B) prepares and serves 500 or more meals per day.

(5) Other food and beverage service, including food carts, mobile food units, seasonal temporary food stands, and seasonal permanent food stands, \$50.

(6) Beer or wine table service, \$50. "Beer or wine table service" means a fee category where the only alcoholic beverage service is beer or wine, served to customers seated at tables.

(7) Alcoholic beverage service, other than beer or wine table service, \$135.

"Alcohol beverage service, other than beer or wine table service" means a fee category where alcoholic mixed drinks are served or where beer or wine are served from a bar.

(8) Lodging per sleeping accommodation unit, \$8, including hotels, motels, lodging establishments, and resorts, up to a maximum of \$800. "Lodging per sleeping accommodation unit" means a fee category including the number of guest rooms, cottages, or other rental units of a hotel, motel, lodging establishment, or resort; or the number of beds in a dormitory.

(9) First public swimming pool, \$180; each additional public swimming pool, \$100. "Public swimming pool" means a fee category that has the meaning given in ~~Minnesota Rules, part 4717.0250, subpart 8~~ section 144.1222, subdivision 4.

(10) First spa, \$110; each additional spa, \$50. "Spa pool" means a fee category that has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

(11) Private sewer or water, \$50. "Individual private water" means a fee category with a water supply other than a community public water supply as defined in Minnesota Rules, chapter 4720. "Individual private sewer" means a fee category with an individual sewage treatment system which uses subsurface treatment and disposal.

(12) Additional food service, \$130. "Additional food service" means a location at a food service establishment, other than the primary food preparation and service area, used to prepare or serve food to the public.

(13) Additional inspection fee, \$300. "Additional inspection fee" means a fee to conduct the



second inspection each year for elementary and secondary education facility school lunch programs when required by the Richard B. Russell National School Lunch Act.

(e) A fee of \$350 for review of the construction plans must accompany the initial license application for restaurants, hotels, motels, lodging establishments, or resorts with five or more sleeping units.

(f) When existing food and beverage service establishments, hotels, motels, lodging establishments, or resorts are extensively remodeled, a fee of \$250 must be submitted with the remodeling plans. A fee of \$250 must be submitted for new construction or remodeling for a restaurant with a limited food menu selection, a seasonal permanent food stand, a mobile food unit, or a food cart, or for a hotel, motel, resort, or lodging establishment addition of less than five sleeping units.

(g) Seasonal temporary food stands and special event food stands are not required to submit construction or remodeling plans for review.

Subd. 3a. **Statewide hospitality fee.** Every person, firm, or corporation that operates a licensed boarding establishment, food and beverage service establishment, seasonal temporary or permanent food stand, special event food stand, mobile food unit, food cart, resort, hotel, motel, or lodging establishment in Minnesota must submit to the commissioner a \$35 annual statewide hospitality fee for each licensed activity. The fee for establishments licensed by the Department of Health is required at the same time the licensure fee is due. For establishments licensed by local governments, the fee is due by July 1 of each year.

Subd. 4. **Posting requirements.** Every food and beverage service establishment, hotel, motel, lodging establishment, public pool, or resort must have the license posted in a conspicuous place at the establishment.

Sec. 7. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change the public pool definition in Minnesota Rules, part 4717.0250, subpart 8, with the following language: "public pool" means any pool, other than a residential pool, that is open to the public generally, whether for a fee or free of charge; open exclusively to members of an organization and their guests; residents of a multiunit apartment building, apartment complex, residential real estate development, or other multifamily residential area; or patrons of a hotel or lodging or other public accommodation facility; or operated by a person in a park, school, licensed child care facility, group home, motel, camp, resort, club, condominium, manufactured home park, or political subdivision with the exception of swimming pools at family day care homes licensed under Minnesota Statutes, section 245A.14, subdivision 11, paragraph (a).

Sec. 8. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

**Senator Marty from the Committee on Health, Housing and Family Security, to which was**

**referred**

**S.F. No. 2941:** A bill for an act relating to health; changing provisions for prescribing legend drugs; amending Minnesota Statutes 2007 Supplement, section 151.37, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2007 Supplement, section 148.235, subdivision 11, is amended to read:

Subd. 11. **Dispensing by protocol.** Subject to the requirements of this subdivision, a registered nurse in a family planning agency as defined in Minnesota Rules, part 9505.0280, subpart 3, may dispense ~~oral~~ contraceptives prescribed by a licensed practitioner as defined in section 151.01, subdivision 23, pursuant to a dispensing protocol established by the agency's medical director or under the direction of a physician. The dispensing protocol must address the requirements of sections 151.01, subdivision 30, and 151.212, subdivision 1. In addition, the registered nurse may not dispense ~~oral~~ contraceptives if the patient is under 12 years of age.

Sec. 2. Minnesota Statutes 2006, section 151.01, subdivision 23, is amended to read:

Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed doctor of osteopathy duly licensed to practice medicine, licensed doctor of dentistry, licensed doctor of optometry, licensed podiatrist, or licensed veterinarian. For purposes of sections 151.15, subdivision 4, 151.37, subdivision 2, ~~paragraph~~ paragraphs (b), (e), and (f), and 151.461, "practitioner" also means a physician assistant authorized to prescribe, dispense, and administer under chapter 147A, or an advanced practice nurse authorized to prescribe, dispense, and administer under section 148.235.

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

Sec. 3. Minnesota Statutes 2007 Supplement, section 151.37, subdivision 2, is amended to read:

Subd. 2. **Prescribing and filing.** (a) A licensed practitioner in the course of professional practice only, may prescribe, administer, and dispense a legend drug, and may cause the same to be administered by a nurse, a physician assistant, or medical student or resident under the practitioner's direction and supervision, and may cause a person who is an appropriately certified, registered, or licensed health care professional to prescribe, dispense, and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes. A licensed practitioner may prescribe a legend drug, without reference to a specific patient, by directing a nurse, pursuant to section 148.235, subdivisions 8 and 9, physician assistant, or medical student or resident to adhere to a particular practice guideline or protocol when treating patients whose condition falls within such guideline or protocol, and when such guideline or protocol specifies the circumstances under which the legend drug is to be prescribed and administered. An individual who verbally, electronically, or otherwise transmits a written, oral, or electronic order, as an agent of a prescriber, shall not be deemed to have prescribed the legend drug. This paragraph applies to a physician assistant only if the physician assistant meets the requirements of section 147A.18.

(b) A licensed practitioner that dispenses for profit a legend drug that is to be administered orally, is ordinarily dispensed by a pharmacist, and is not a vaccine, must file with the practitioner's licensing board a statement indicating that the practitioner dispenses legend drugs for profit, the

general circumstances under which the practitioner dispenses for profit, and the types of legend drugs generally dispensed. It is unlawful to dispense legend drugs for profit after July 31, 1990, unless the statement has been filed with the appropriate licensing board. For purposes of this paragraph, "profit" means (1) any amount received by the practitioner in excess of the acquisition cost of a legend drug for legend drugs that are purchased in prepackaged form, or (2) any amount received by the practitioner in excess of the acquisition cost of a legend drug plus the cost of making the drug available if the legend drug requires compounding, packaging, or other treatment. The statement filed under this paragraph is public data under section 13.03. This paragraph does not apply to a licensed doctor of veterinary medicine or a registered pharmacist. Any person other than a licensed practitioner with the authority to prescribe, dispense, and administer a legend drug under paragraph (a) shall not dispense for profit. To dispense for profit does not include dispensing by a community health clinic when the profit from dispensing is used to meet operating expenses.

(c) A prescription or drug order for ~~a legend drug~~ the following drugs is not valid ~~if it is based solely on an online questionnaire~~, unless it can be established that the prescription or order was based on a documented patient evaluation, including an examination, adequate to establish a diagnosis and identify underlying conditions and contraindications to treatment:

(1) controlled substance drugs listed in section 152.02, subdivisions 3 to 5;

(2) drugs defined by the Board of Pharmacy as controlled substances under section 152.02, subdivisions 7, 8, and 12;

(3) muscle relaxants;

(4) centrally acting analgesics with opioid activity;

(5) drugs containing butalbital; or

(6) phosphodiesterase type 5 inhibitors when used to treat erectile dysfunction.

(d) For the purposes of paragraph (c), the requirement for an examination shall be met if an in-person examination has been completed in any of the following circumstances:

(1) the prescribing practitioner examines the patient at the time the prescription or drug order is issued;

(2) the prescribing practitioner has performed a prior examination of the patient;

(3) another prescribing practitioner practicing within the same group or clinic as the prescribing practitioner has examined the patient;

(4) a consulting practitioner to whom the prescribing practitioner has referred the patient has examined the patient; or

(5) the referring practitioner has performed an examination in the case of a consultant practitioner issuing a prescription or drug order when providing services by means of telemedicine.

(e) Nothing in paragraph (c) or (d) prohibits a licensed practitioner from prescribing a drug through the use of a guideline or protocol pursuant to paragraph (a) of this subdivision.

(f) Nothing in this chapter prohibits a licensed practitioner from issuing a prescription or

dispensing a legend drug in accordance with the Expedited Partner Therapy in the Management of Sexually Transmitted Diseases guidance document issued by the United States Centers for Disease Control.

(g) Nothing in paragraph (c) or (d) limits prescription, administration, or dispensing of legend drugs through a public health clinic or other distribution mechanism approved by the commissioner of health or a board of health in order to prevent, mitigate, or treat a pandemic illness, infectious disease outbreak, intentional, or accidental release of a biological, chemical, or radiological agent.

(h) No pharmacist employed by, under contract to, or working for a pharmacy licensed under section 151.19, subdivision 1, may dispense a legend drug based on a prescription that the pharmacist knows, or would reasonably be expected to know, is not valid under paragraph (c) of this subdivision.

(i) No pharmacist employed by, under contract to, or working for a pharmacy licensed under section 151.19, subdivision 2, may dispense a legend drug, to a resident of this state, based on a prescription that the pharmacist knows, or would reasonably be expected to know, is not valid under paragraph (c) of this subdivision.

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

Sec. 4. Minnesota Statutes 2006, section 151.37, subdivision 7, is amended to read:

Subd. 7. **Exclusion for prescriptions.** Nothing in this chapter shall prohibit the possession of a legend drug by a person for that person's use when it has been dispensed to the person in accordance with a written or oral prescription by a practitioner. Nothing in this chapter shall prohibit a person, for whom a legend drug has been dispensed in accordance with a written or oral prescription by a practitioner, from designating a family member, caregiver, or other individual to handle the legend drug for the purpose of assisting the person in obtaining or administering the drug.

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

Sec. 5. **REPEALER.**

Minnesota Statutes 2007 Supplement, section 148.235, subdivision 12, is repealed."

Amend the title accordingly

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

**Senator Marty from the Committee on Health, Housing and Family Security, to which was referred**

**S.F. No. 2698:** A bill for an act relating to health; providing colorectal cancer screening for the uninsured; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete subdivision 4

Page 2, before line 1, insert:

"Sec. 2. Minnesota Statutes 2006, section 256B.057, is amended by adding a subdivision to read:

Subd. 11. **Certain persons needing treatment for colorectal cancer.** (a) Medical assistance may be paid for an individual who:

(1) has been screened for colorectal cancer through the colorectal cancer screening program under section 144.929;

(2) according to the individual's treating health professional, needs treatment, including diagnostic services necessary to determine the extent and proper course of treatment, for colorectal cancer;

(3) has a gross family income at or below 250 percent of federal poverty guidelines;

(4) is under the age of 65;

(5) is not otherwise eligible for medical assistance, general assistance medical care, or MinnesotaCare program; and

(6) is not otherwise covered under creditable coverage, as defined under United States Code, title 42, section 139.60(aa).

(b) Medical assistance provided for an eligible individual under this subdivision shall be limited to services provided during the period that the individual receives treatment for colorectal cancer.

(c) An individual meeting the criteria in paragraph (a) is eligible for medical assistance without meeting the eligibility criteria relating to income and assets in section 256B.056, subdivisions 1a to 5b."

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

**Senator Marty from the Committee on Health, Housing and Family Security, to which was referred**

**S.F. No. 2879:** A bill for an act relating to health; permitting patient-delivered partner therapy for the treatment of chlamydia or gonorrhea; appropriating money; amending Minnesota Statutes 2006, sections 144.065; 151.01, subdivision 23; 151.37, subdivision 7, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

**Senator Chaudhary from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 3488:** A bill for an act relating to natural resources; establishing the Lessard-Heritage Enhancement Council; providing appointments; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 22, after the period, insert "Appointing authorities shall consider geographic balance in making appointments under this section."

Page 4, line 1, delete everything after the period

Page 4, delete line 2 and insert "Compensation of members is as provided in section 15.0575."

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight. Amendments adopted. Report adopted.

**Senator Chaudhary from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 3246:** A bill for an act relating to waters; providing for administrative penalty orders; providing civil penalties; requiring an implementation plan; providing a rulemaking exemption; proposing coding for new law in Minnesota Statutes, chapter 103G.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete line 34 and insert "penalty must be forgiven."

Page 5, line 6, delete "finally" and insert "ultimately"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

**Senator Pogemiller, from the Committee on Rules and Administration, to which was referred**

**H.F. No. 2590** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2590	2418

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2590 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2590; and insert the language after the enacting clause of S.F. No. 2418, the first engrossment; further, delete the title of H.F. No. 2590; and insert the title of S.F. No. 2418, the first engrossment.

And when so amended H.F. No. 2590 will be identical to S.F. No. 2418, and further recommends that H.F. No. 2590 be given its second reading and substituted for S.F. No. 2418, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 3337, 2313 and 2941 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. No. 2590 was read the second time.

**MOTIONS AND RESOLUTIONS**

Senator Rummel moved that the name of Senator Clark be added as a co-author to S.F. No. 2669. The motion prevailed.

Senator Koering moved that his name be stricken as a co-author to S.F. No. 2742. The motion prevailed.

Senator Lynch moved that the name of Senator Rosen be added as a co-author to S.F. No. 3138. The motion prevailed.

Senator Skogen moved that the names of Senators Saltzman and Clark be added as co-authors to S.F. No. 3244. The motion prevailed.

Senator Berglin moved that the name of Senator Sheran be added as a co-author to S.F. No. 3259. The motion prevailed.

Senator Rummel moved that the name of Senator Clark be added as a co-author to S.F. No. 3312. The motion prevailed.

Senator Chaudhary moved that the name of Senator Frederickson be added as a co-author to S.F. No. 3488. The motion prevailed.

Senator Clark moved that the names of Senators Robling, Pappas, Wiger and Stumpf be added as co-authors to S.F. No. 3491. The motion prevailed.

Senator Clark moved that the names of Senators Bonoff; Scheid; Olson, G. and Torres Ray be added as co-authors to S.F. No. 3493. The motion prevailed.

Senator Pogemiller, for Senator Torres Ray, moved that S.F. No. 3170 be withdrawn from the Committee on Finance and re-referred to the Committee on Health, Housing and Family Security. The motion prevailed.

**Senator Limmer introduced –**

**Senate Resolution No. 152:** A Senate resolution congratulating Alex Thunstrom of Maple Grove, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills.

The motion prevailed.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

#### **Senators Sparks, Vandever, Metzen, Tomassoni and Dibble introduced—**

**S.F. No. 3495:** A bill for an act relating to insurance; regulating life settlements; providing enforcement; prescribing criminal penalties and civil remedies; proposing coding for new law in Minnesota Statutes, chapter 60A; repealing Minnesota Statutes 2006, sections 60A.961; 60A.962; 60A.963; 60A.964; 60A.965; 60A.966; 60A.967; 60A.968; 60A.969; 60A.970; 60A.971; 60A.972; 60A.973; 60A.974.

Referred to the Committee on Commerce and Consumer Protection.

#### **Senator Larson introduced—**

**S.F. No. 3496:** A bill for an act relating to motor carriers; amending requirements for household goods motor carriers, including changes from system of permits to registration; removing language governing obsolete permits; making conforming and clarifying changes; amending Minnesota Statutes 2006, sections 168.013, subdivision 1e; 174.64, subdivisions 2, 4; 174.66; 221.011, subdivisions 8, 23, by adding a subdivision; 221.025; 221.026; 221.031, subdivision 1; 221.036, subdivisions 1, 3; 221.131; 221.132; 221.141, subdivision 4; 221.185; 221.221, subdivision 3; 221.291, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 2006, sections 174.65; 221.011, subdivisions 24, 25, 28, 29, 38, 39, 41, 44, 45; 221.0252, subdivision 7; 221.072; 221.111; 221.121; 221.122; 221.123; 221.131, subdivisions 2a, 3; 221.141, subdivision 6; 221.151; 221.152; 221.153, subdivisions 1, 2; 221.161; 221.171; 221.172, subdivisions 3, 4, 5, 6, 7, 8; 221.296, subdivisions 3, 4, 5, 6, 7, 8.

Referred to the Committee on Transportation.

#### **Senator Koering introduced—**

**S.F. No. 3497:** A bill for an act relating to human services; increasing nursing facility payment rates to offset property tax payments; amending Minnesota Statutes 2006, section 256B.441, by adding a subdivision.

Referred to the Committee on Finance.

#### **Senator Koering introduced—**

**S.F. No. 3498:** A bill for an act relating to human services; increasing payment rates for a nursing facility in Morrison County; amending Minnesota Statutes 2006, section 256B.441, by adding a subdivision.

Referred to the Committee on Finance.



**Senator Koering introduced–**

**S.F. No. 3499:** A bill for an act relating to human services; studying insurance coverage for long-term care workers; requiring a mandated report; appropriating money.

Referred to the Committee on Health, Housing and Family Security.

**Senator Saxhaug introduced–**

**S.F. No. 3500:** A bill for an act relating to taxation; property tax classification; amending Minnesota Statutes 2006, section 273.13, subdivisions 23, 33.

Referred to the Committee on Taxes.

**Senators Skoe and Olson, M. introduced–**

**S.F. No. 3501:** A bill for an act relating to taxation; providing additional county program aid to meet the cost of out-of-home placement programs; amending Minnesota Statutes 2006, section 477A.0124, by adding a subdivision.

Referred to the Committee on Taxes.

**Senator Skoe introduced–**

**S.F. No. 3502:** A bill for an act relating to traffic regulations; modifying provisions regulating farm vehicles on highways; providing for size, weight, and load restrictions on highways; amending Minnesota Statutes 2006, sections 169.01, subdivision 55; 169.18, subdivision 5; 169.67, subdivision 3; 169.801; 169.82, subdivision 3; 169.826, subdivision 1a; repealing Minnesota Statutes 2006, section 169.145.

Referred to the Committee on Transportation.

**Senators Clark, Robling, Pappas, Wiger and Stumpf introduced–**

**S.F. No. 3503:** A bill for an act relating to education; establishing an advisory task force on improving teacher quality and identifying institutional structures and strategies for effectively integrating secondary and postsecondary academic and career education.

Referred to the Committee on Education.

**Senator Koering introduced–**

**S.F. No. 3504:** A bill for an act relating to taxation; property; prohibiting an increase in taxable market value for homesteads owned by certain persons age 65 years or older; amending Minnesota Statutes 2006, sections 273.11, subdivision 5, by adding a subdivision; 273.121; 276.04, subdivision 2.

Referred to the Committee on Taxes.

**Senators Prettner Solon, Torres Ray and Marty introduced—**

**S.F. No. 3505:** A bill for an act relating to education; requiring child care facilities to provide influenza information; amending Minnesota Statutes 2006, section 121A.15, by adding a subdivision.

Referred to the Committee on Health, Housing and Family Security.

**Senator Larson introduced—**

**S.F. No. 3506:** A bill for an act relating to retirement; modifying the investment-related postretirement adjustment of the Minneapolis firefighters relief association by correcting; providing an additional cost-of-living unit to members of the Minneapolis firefighters relief association upon achieving 110 percent funding; amending Minnesota Statutes 2006, sections 423C.05, by adding subdivisions; 423C.06, subdivision 2; repealing Laws 2007, chapter 134, article 9, section 2.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senators Erickson Ropes, Marty, Berglin and Sheran introduced—**

**S.F. No. 3507:** A bill for an act relating to human services; directing the commissioner of human services to expand clinical pain and palliative care services for pediatric patients receiving medical assistance; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health, Housing and Family Security.

**Senators Olson, M.; Sparks; Metzen and Koering introduced—**

**S.F. No. 3508:** A bill for an act relating to insurance; regulating motor vehicle insurance adjustments; amending Minnesota Statutes 2007 Supplement, section 72B.092, subdivision 1.

Referred to the Committee on Commerce and Consumer Protection.

**Senators Sparks; Murphy; Metzen; Olson, M. and Koering introduced—**

**S.F. No. 3509:** A bill for an act relating to insurance; prohibiting automobile insurers from owning repair facilities; amending Minnesota Statutes 2006, section 72A.20, by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

**Senators Murphy, Scheid, Metzen and Sparks introduced—**

**S.F. No. 3510:** A bill for an act relating to public safety; establishing licensing standards for collision repair shops; amending Minnesota Statutes 2007 Supplement, section 72B.092, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Commerce and Consumer Protection.

**Senators Erickson Ropes, Marty, Berglin and Rosen introduced–**

**S.F. No. 3511:** A bill for an act relating to health occupations; modifying provisions for licensed professional clinical counselors; amending Minnesota Statutes 2006, sections 245.462, subdivision 18; 245.470, subdivision 1; 245.4871, subdivision 27; 245.488, subdivision 1; 256B.0624, subdivisions 5, 8; 256B.0943, subdivision 1; 256J.08, subdivision 73a; Minnesota Statutes 2007 Supplement, section 256B.0623, subdivision 5.

Referred to the Committee on Health, Housing and Family Security.

**Senator Chaudhary introduced–**

**S.F. No. 3512:** A bill for an act relating to the city of New Brighton; authorizing tax increment financing.

Referred to the Committee on Taxes.

**Senators Olson, M.; Dibble; Limmer; Scheid and Skogen introduced–**

**S.F. No. 3513:** A bill for an act relating to insurance; regulating use of credit scoring in cases of death of a spouse or divorce; amending Minnesota Statutes 2006, section 72A.20, subdivision 36.

Referred to the Committee on Commerce and Consumer Protection.

**Senators Sheran and Pappas introduced–**

**S.F. No. 3514:** A bill for an act relating to higher education; providing equal access to instructional materials for blind students; providing civil remedies; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Higher Education.

**Senator Koch introduced–**

**S.F. No. 3515:** A bill for an act relating to state government; repealing duties relating to the economic status of women; repealing Minnesota Statutes 2006, section 3.303, subdivision 7.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senator Day introduced–**

**S.F. No. 3516:** A bill for an act relating to local government; prohibiting unfunded mandates; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senators Olseen, Prettnner Solon, Anderson, Frederickson and Wiger introduced–**

**S.F. No. 3517:** A bill for an act relating to solid waste; amending the definition of mixed municipal solid waste; defining reuse; establishing principles of product stewardship; requiring

recycling of construction and demolition waste in state buildings; requiring a study; requiring a resource recovery facility to recover and recycle metals; setting recycling goals for certain construction and demolition projects; regulating waste management charges; setting standards for compost containers; establishing eligibility of waste management activities as greenhouse gas offset projects; exempting certain equipment from the state sales tax; regulating charges for nonmixed municipal solid waste; allowing residents to decline to receive local telephone directories; requiring a model ordinance; establishing a task force; providing penalties; appropriating money; amending Minnesota Statutes 2006, sections 115A.03, subdivisions 21, 32a, by adding a subdivision; 115A.93, subdivisions 3, 3a; 115A.9301; 297A.68, subdivision 24; 297H.02, subdivision 2; 297H.04; Minnesota Statutes 2007 Supplement, section 216B.241, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; 325E; repealing Minnesota Statutes 2006, sections 115A.175; 115A.18; 115A.19; 115A.191; 115A.192; 115A.194; 115A.195; 115A.20; 115A.24; 115A.28, subdivision 3; 115A.30; 115A.301; 115A.31; 115A.55, subdivision 4; 115A.5501, subdivision 1; 115A.551, subdivision 7; Minnesota Statutes 2007 Supplement, sections 115A.193; 115A.28, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

**Senators Tomassoni, Metzen, Saxhaug and Scheid introduced—**

**S.F. No. 3518:** A bill for an act relating to state employees; modifying the vacation donation program; amending Minnesota Statutes 2006, section 43A.1815.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senators Chaudhary, Saxhaug and Pariseau introduced—**

**S.F. No. 3519:** A bill for an act relating to education; providing for outdoor education as an elective standard; amending Minnesota Statutes 2007 Supplement, section 120B.022, subdivision 1.

Referred to the Committee on Education.

**Senator Prettner Solon introduced—**

**S.F. No. 3520:** A bill for an act relating to energy; regulating certain property rights related to wind energy; amending Minnesota Statutes 2007 Supplement, section 500.30, subdivision 2.

Referred to the Committee on Energy, Utilities, Technology and Communications.

**Senator Scheid introduced—**

**S.F. No. 3521:** A bill for an act relating to crimes; requiring defendant waiver of jury trial to be consented by the prosecutor; proposing coding for new law in Minnesota Statutes, chapter 631.

Referred to the Committee on Judiciary.

**Senator Larson introduced–**

**S.F. No. 3522:** A bill for an act relating to elections; allowing a primary election for presidential candidates as determined by each major political party; permitting each party to determine the date of its precinct caucuses in nonpresidential election years; requiring precinct caucuses to be held on the first date another state in the region conducts a caucus or primary in a presidential election year; amending Minnesota Statutes 2006, sections 202A.14, subdivision 1; 202A.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 207A.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senators Saltzman, Stumpf and Wiger introduced–**

**S.F. No. 3523:** A bill for an act relating to education; clarifying a student policy on cooperating and providing educators with information about school matters; amending Minnesota Statutes 2006, section 121A.55.

Referred to the Committee on Education.

**Senator Koch introduced–**

**S.F. No. 3524:** A bill for an act relating to human services; allowing certain home modifications to be allowed expenses for the home and community-based waiver programs.

Referred to the Committee on Health, Housing and Family Security.

**Senators Olson, M.; Torres Ray and Berglin introduced–**

**S.F. No. 3525:** A bill for an act relating to state government; establishing a task force for language immersion programs for Dakota and Ojibwe language preservation.

Referred to the Committee on Education.

**Senators Torres Ray and Berglin introduced–**

**S.F. No. 3526:** A bill for an act relating to public health; modifying academic standards to include nutrition; creating an advisory council on health, nutrition, and physical education; amending Minnesota Statutes 2007 Supplement, section 120B.021, subdivision 1.

Referred to the Committee on Education.

**Senator Wiger introduced–**

**S.F. No. 3527:** A bill for an act relating to education; allowing two state education agencies to share educational data in order to improve school instruction; amending Minnesota Statutes 2006, section 13.32, by adding a subdivision.

Referred to the Committee on Education.

**Senators Rummel, Doll and Sheran introduced—**

**S.F. No. 3528:** A bill for an act relating to energy; requiring certain amount of solar-produced energy under renewable energy standard; amending Minnesota Statutes 2007 Supplement, section 216B.1691, subdivision 2a.

Referred to the Committee on Energy, Utilities, Technology and Communications.

**Senator Metzen introduced—**

**S.F. No. 3529:** A bill for an act relating to taxation; income taxes; providing a credit for contributions to the State Capitol restoration; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senator Metzen introduced—**

**S.F. No. 3530:** A bill for an act relating to taxation; providing individual and corporate income tax checkoffs to fund the State Capitol restoration; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senator Larson introduced—**

**S.F. No. 3531:** A bill for an act relating to retirement; Teachers Retirement Association and first class city teacher plans; providing for phased retirement from teaching; amending Minnesota Statutes 2006, sections 354.05, subdivision 37; 354.44, subdivision 5; 354A.31, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 354.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senators Larson, Prettner Solon and Bakk introduced—**

**S.F. No. 3532:** A bill for an act relating to retirement; amending local police and firefighters relief association amortization provisions; allocating state aid; amending Minnesota Statutes 2006, section 423A.02, subdivision 1b.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senator Dahle introduced—**

**S.F. No. 3533:** A bill for an act relating to subordinate service districts; authorizing towns to refund surplus revenues upon the removal of a district; amending Minnesota Statutes 2006, section 365A.095.

Referred to the Committee on Taxes.

**Senator Dibble introduced—**

**S.F. No. 3534:** A bill for an act relating to the city of Minneapolis; modifying the city's housing replacement district law; amending Laws 1995, chapter 264, article 5, sections 44, subdivision 4, as amended; 45, subdivision 1, as amended; 46, subdivision 2.

Referred to the Committee on Taxes.

**Senators Olseen, Wiger, Dibble and Carlson introduced—**

**S.F. No. 3535:** A bill for an act relating to pupil transportation; creating an Office of Pupil Transportation Safety; prescribing staffing and duties; requiring report; appropriating money; amending Minnesota Statutes 2006, section 169.435.

Referred to the Committee on Transportation.

**Senator Olson, M. introduced—**

**S.F. No. 3536:** A bill for an act relating to transportation; requiring direct access to highway 371 for certain parcels of land.

Referred to the Committee on Transportation.

**Senator Dibble introduced—**

**S.F. No. 3537:** A bill for an act relating to agriculture; providing for the development and regulation of an industrial hemp industry; authorizing rulemaking; providing a defense for possession and cultivation of industrial hemp; modifying the definition of marijuana; amending Minnesota Statutes 2006, sections 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 18J.11, subdivision 1, by adding a subdivision; 152.01, subdivision 9; 375.30, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 18K.

Referred to the Committee on Agriculture and Veterans.

**Senators Dibble and Chaudhary introduced—**

**S.F. No. 3538:** A bill for an act relating to environment; requiring Pollution Control Agency notification of certain people on the status of underground tanks; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

**Senators Anderson, Doll, Prettner Solon and Metzen introduced—**

**S.F. No. 3539:** A bill for an act relating to economic development; providing direction to conform the state's economic development policies with the state's environmental policy; requiring a report; amending Minnesota Statutes 2006, sections 116J.431, by adding a subdivision; 116J.8731, subdivision 4; Minnesota Statutes 2007 Supplement, section 116J.575, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Business, Industry and Jobs.

**Senators Anderson, Rest and Prettner Solon introduced—**

**S.F. No. 3540:** A bill for an act relating to economic development; creating a task force to analyze and plan for an economy that advances the environmental and energy policies of the state; appropriating money.

Referred to the Committee on Business, Industry and Jobs.

**Senator Metzen introduced—**

**S.F. No. 3541:** A bill for an act relating to occupations; creating the Board of Thermal System Insulation; licensing contractors; requiring rules; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 326C.

Referred to the Committee on Business, Industry and Jobs.

**Senator Jungbauer introduced—**

**S.F. No. 3542:** A bill for an act relating to traffic regulations; providing for trailer brakes; imposing penalties for forging or possessing false commercial motor vehicle inspection decal; providing that officer may require weighing and inspection of truck weighing more than 10,000 pounds; amending Minnesota Statutes 2006, sections 169.67, subdivision 3; 169.781, subdivision 5; 169.85, subdivision 1.

Referred to the Committee on Transportation.

**Senator Jungbauer introduced—**

**S.F. No. 3543:** A bill for an act relating to traffic regulations; providing for civil penalty for violation of truck weight limits by motor carriers; amending Minnesota Statutes 2006, section 169.871, subdivision 1b.

Referred to the Committee on Transportation.

**Senator Jungbauer introduced—**

**S.F. No. 3544:** A bill for an act relating to state government; establishing a cost-savings initiative suggestion program for state employees; using the cost savings to fund road improvements; creating a transportation endowment fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 43A; 160.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senator Jungbauer introduced—**

**S.F. No. 3545:** A bill for an act relating to transportation; requiring commissioner of transportation to consider insurance standards in road construction; reclassifying certain trucks



and vans for vehicle registration purposes; prescribing method of registration of spotter trucks; modifying provisions relating to registration of special mobile equipment; requiring study of complete streets policy; amending Minnesota Statutes 2006, sections 162.02, by adding a subdivision; 168.011, subdivisions 7, 22, by adding a subdivision; 168.013, subdivision 1e; 168.28; 168A.01, subdivision 21; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

**Senator Jungbauer introduced—**

**S.F. No. 3546:** A bill for an act relating to taxation; providing a property tax exemption for personal property at a certain electric generation facility; amending Minnesota Statutes 2006, section 272.02, by adding a subdivision.

Referred to the Committee on Energy, Utilities, Technology and Communications.

**Senators Koch, Fischbach, Gimse and Jungbauer introduced—**

**S.F. No. 3547:** A bill for an act relating to crime prevention; modifying definition of "family or household member" for purposes of DWI vehicle forfeiture; amending Minnesota Statutes 2006, section 169A.63, subdivision 1.

Referred to the Committee on Judiciary.

**Senators Tomassoni and Saxhaug introduced—**

**S.F. No. 3548:** A bill for an act relating to retirement; allowing certain governmental employers to offer alternative deferred compensation plans and to increase contributions to those plans; amending Minnesota Statutes 2006, section 356.24, subdivision 1.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senator Stumpf introduced—**

**S.F. No. 3549:** A bill for an act relating to traffic regulations; authorizing operation of certain combinations with gross vehicle weight up to 105,000 pounds on certain highways with permit; prescribing allocation of permit fee; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

**Senator Skoe introduced—**

**S.F. No. 3550:** A bill for an act relating to natural resources; modifying wild rice provisions; providing criminal penalties; amending Minnesota Statutes 2006, sections 1.148; 30.49, subdivisions 1, 2; 84.027, subdivision 13; 84.028, subdivision 1; 84.0894; 84.091; 84.0911; 84.105; 84.15, subdivision 1; 84.152.

Referred to the Committee on Environment and Natural Resources.

**Senators Erickson Ropes and Senjem introduced—**

**S.F. No. 3551:** A bill for an act relating to sales and use tax; providing a sales tax exemption of materials, supplies, and equipment used in constructing wastewater treatment facility in the city of Fountain; appropriating money; amending Minnesota Statutes 2006, section 297A.71, by adding a subdivision.

Referred to the Committee on Taxes.

**Senators Erickson Ropes, Senjem and Murphy introduced—**

**S.F. No. 3552:** A bill for an act relating to taxation; exempting certain mortgages from mortgage registry tax; amending Minnesota Statutes 2006, section 287.04.

Referred to the Committee on Taxes.

**Senator Sparks introduced—**

**S.F. No. 3553:** A bill for an act relating to commerce; regulating motor vehicle service contracts; regulating contracts and coverages; defining a term; amending Minnesota Statutes 2006, sections 59B.01; 59B.02, subdivision 11, by adding a subdivision; 59B.05, subdivision 5; repealing Minnesota Statutes 2006, section 65B.29.

Referred to the Committee on Commerce and Consumer Protection.

**Senator Rosen introduced—**

**S.F. No. 3554:** A bill for an act relating to retirement; amending limitations on supplemental retirement plans; providing an additional exception to the restriction; amending Minnesota Statutes 2006, section 356.24, subdivision 1.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senator Rosen introduced—**

**S.F. No. 3555:** A bill for an act relating to natural resources; providing procedures for filling the Watonwan County Soil and Water Conservation District Board supervisor vacant positions.

Referred to the Committee on Environment and Natural Resources.

**Senators Rosen, Saltzman and Olson, G. introduced—**

**S.F. No. 3556:** A bill for an act relating to education finance; making all school districts eligible for the alternative facilities bonding and levy program; making all school districts eligible for the deferred maintenance revenue program; amending Minnesota Statutes 2006, sections 123B.59, subdivision 1; 123B.591, subdivision 1.

Referred to the Committee on Finance.

**Senator Koering introduced—**

**S.F. No. 3557:** A bill for an act relating to state government; designating English as the official language; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on State and Local Government Operations and Oversight.

**Senators Pappas and Tomassoni introduced—**

**S.F. No. 3558:** A bill for an act relating to alcohol; allowing persons ages 18 to 20 to drink alcohol in bars; proposing coding for new law in Minnesota Statutes, chapter 340A.

Referred to the Committee on Commerce and Consumer Protection.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Remaining on the Order of Business of Motions and Resolutions, Senator Pogmiller moved that the Senate take up the Calendar. The motion prevailed.

**CALENDAR**

**S.F. No. 3154:** A bill for an act relating to commerce; regulating residential mortgage originators and services; verifying the borrower's ability to pay; amending Minnesota Statutes 2007 Supplement, section 58.13, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Kubly	Pappas	Skoe
Bakk	Erickson Ropes	Langseth	Pariseau	Skogen
Berglin	Fischbach	Larson	Pogemiller	Sparks
Betzold	Foley	Latz	Prettner Solon	Stumpf
Bonoff	Frederickson	Limmer	Robling	Tomassoni
Carlson	Gerlach	Lynch	Rosen	Torres Ray
Chaudhary	Gimse	Marty	Rummel	Vandever
Clark	Hann	Metzen	Saltzman	Vickerman
Cohen	Higgins	Murphy	Saxhaug	Wergin
Dahle	Ingebrigtsen	Olseen	Scheid	Wiger
Day	Johnson	Olson, G.	Senjem	
Dibble	Koch	Olson, M.	Sheran	
Dille	Koering	Ortman	Sieben	

So the bill passed and its title was agreed to.

**S.F. No. 2881:** A bill for an act relating to commerce; regulating contracts for deed, rates of interest on certain contracts, and mortgage lending; providing verification of the borrower's reasonable ability to repay a mortgage loan; providing penalties and remedies for a mortgage broker's failure to comply with the broker's duties of agency; amending Minnesota Statutes 2006, sections 47.20, subdivision 2; 334.01, subdivision 2; Minnesota Statutes 2007 Supplement, sections

58.13, subdivision 1; 58.18, subdivisions 1, 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Kubly	Ortman	Sheran
Bakk	Erickson Ropes	Langseth	Pappas	Sieben
Berglin	Fischbach	Larson	Pariseau	Skoe
Betzold	Foley	Latz	Pogemiller	Skogen
Bonoff	Frederickson	Limmer	Prettner Solon	Sparks
Carlson	Gerlach	Lourey	Rest	Stumpf
Chaudhary	Gimse	Lynch	Robling	Tomassoni
Clark	Hann	Marty	Rosen	Torres Ray
Cohen	Higgins	Metzen	Rummel	Vandever
Dahle	Ingebrigtsen	Murphy	Saltzman	Vickerman
Day	Johnson	Olseen	Saxhaug	Wergin
Dibble	Koch	Olson, G.	Scheid	Wiger
Dille	Koering	Olson, M.	Senjem	

So the bill passed and its title was agreed to.

**S.F. No. 2908:** A bill for an act relating to landlord and tenant; providing for certain notices relating to foreclosure; amending Minnesota Statutes 2006, sections 504B.151; 504B.178, subdivision 8; 504B.285, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Kubly	Pappas	Sieben
Bakk	Erickson Ropes	Langseth	Pariseau	Skoe
Berglin	Fischbach	Larson	Pogemiller	Skogen
Betzold	Foley	Latz	Prettner Solon	Sparks
Bonoff	Frederickson	Limmer	Rest	Stumpf
Carlson	Gerlach	Lynch	Robling	Tomassoni
Chaudhary	Gimse	Marty	Rosen	Torres Ray
Clark	Hann	Metzen	Rummel	Vandever
Cohen	Higgins	Murphy	Saltzman	Vickerman
Dahle	Ingebrigtsen	Olseen	Saxhaug	Wergin
Day	Johnson	Olson, G.	Scheid	Wiger
Dibble	Koch	Olson, M.	Senjem	
Dille	Koering	Ortman	Sheran	

So the bill passed and its title was agreed to.

**S.F. No. 2909:** A bill for an act relating to landlord and tenant; modifying right of tenant to pay utility bills; amending Minnesota Statutes 2006, section 504B.215, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Kubly	Pappas	Sieben
Bakk	Erickson Ropes	Langseth	Pariseau	Skoe
Berglin	Fischbach	Larson	Pogemiller	Skogen
Betzold	Foley	Latz	Prettner Solon	Sparks
Bonoff	Frederickson	Limmer	Rest	Stumpf
Carlson	Gerlach	Lynch	Robling	Tomassoni
Chaudhary	Gimse	Marty	Rosen	Torres Ray
Clark	Hann	Metzen	Rummel	Vandever
Cohen	Higgins	Murphy	Saltzman	Vickerman
Dahle	Ingebrigtsen	Olseen	Saxhaug	Wergin
Day	Johnson	Olson, G.	Scheid	Wiger
Dibble	Koch	Olson, M.	Senjem	
Dille	Koering	Ortman	Sheran	

So the bill passed and its title was agreed to.

**S.F. No. 2471:** A bill for an act relating to health; lowering the minimum age requirement for blood donation; requiring parental consent; amending Minnesota Statutes 2006, section 145.41.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Kubly	Ortman	Sheran
Bakk	Erickson Ropes	Langseth	Pappas	Sieben
Berglin	Fischbach	Larson	Pariseau	Skoe
Betzold	Foley	Latz	Pogemiller	Skogen
Bonoff	Frederickson	Limmer	Prettner Solon	Sparks
Carlson	Gerlach	Lourey	Rest	Stumpf
Chaudhary	Gimse	Lynch	Robling	Tomassoni
Clark	Hann	Marty	Rosen	Torres Ray
Cohen	Higgins	Metzen	Rummel	Vandever
Dahle	Ingebrigtsen	Murphy	Saltzman	Vickerman
Day	Johnson	Olseen	Saxhaug	Wergin
Dibble	Koch	Olson, G.	Scheid	Wiger
Dille	Koering	Olson, M.	Senjem	

So the bill passed and its title was agreed to.

**S.F. No. 2511:** A bill for an act relating to state government; reestablishing the Health Care Peer Review Committee relating to quality of care and treatment of offenders; reestablishing advisory committees for the Minnesota Breeders fund; amending Minnesota Statutes 2006, section 241.021, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 240.18, subdivision 4; Laws 2007, chapter 133, article 2, section 13.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Betzold	Chaudhary	Dahle	Dille
Bakk	Bonoff	Clark	Day	Doll
Berglin	Carlson	Cohen	Dibble	Erickson Ropes

Fischbach	Kubly	Olseen	Rosen	Sparks
Foley	Langseth	Olson, G.	Rummel	Stumpf
Frederickson	Larson	Olson, M.	Saltzman	Tomassoni
Gimse	Latz	Ortman	Saxhaug	Torres Ray
Hann	Limmer	Pappas	Scheid	Vickerman
Higgins	Lourey	Pariseau	Senjem	Wergin
Ingebrigtsen	Lynch	Pogemiller	Sheran	Wiger
Johnson	Marty	Prettner Solon	Sieben	
Koch	Metzen	Rest	Skoe	
Koering	Murphy	Robling	Skogen	

Those who voted in the negative were:

Gerlach                      Vandever

So the bill passed and its title was agreed to.

**S.F. No. 2377:** A bill for an act relating to health; modifying basic life support ambulance staffing requirements under certain circumstances; allowing a hardship waiver of advanced life support ambulance staffing requirements; modifying advanced life support ambulance staffing requirements under certain circumstances; amending Minnesota Statutes 2006, section 144E.101, subdivision 7; Minnesota Statutes 2007 Supplement, section 144E.101, subdivision 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Kubly	Pappas	Sieben
Bakk	Erickson Ropes	Langseth	Pariseau	Skoe
Berglin	Fischbach	Larson	Pogemiller	Skogen
Betzold	Foley	Latz	Prettner Solon	Sparks
Bonoff	Frederickson	Limmer	Rest	Stumpf
Carlson	Gerlach	Lynch	Robling	Tomassoni
Chaudhary	Gimse	Marty	Rosen	Torres Ray
Clark	Hann	Metzen	Rummel	Vandever
Cohen	Higgins	Murphy	Saltzman	Vickerman
Dahle	Ingebrigtsen	Olseen	Saxhaug	Wergin
Day	Johnson	Olson, G.	Scheid	Wiger
Dibble	Koch	Olson, M.	Senjem	
Dille	Koering	Ortman	Sheran	

So the bill passed and its title was agreed to.

**S.F. No. 2796:** A bill for an act relating to education; modifying teaching employment for early childhood education programs; amending Minnesota Statutes 2007 Supplement, section 124D.13, subdivision 11.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Berglin	Bonoff	Chaudhary	Cohen
Bakk	Betzold	Carlson	Clark	Dahle

Day	Higgins	Lynch	Rest	Skogen
Dibble	Ingebrigtsen	Marty	Robling	Sparks
Dille	Johnson	Metzen	Rosen	Stumpf
Doll	Koch	Murphy	Rummel	Tomassoni
Erickson Ropes	Koering	Olseen	Saltzman	Torres Ray
Fischbach	Kubly	Olson, G.	Saxhaug	Vandever
Foley	Langseth	Olson, M.	Scheid	Vickerman
Frederickson	Larson	Pappas	Senjem	Wergin
Gerlach	Latz	Pariseau	Sheran	Wiger
Gimse	Limmer	Pogemiller	Sieben	
Hann	Lourey	Prettner Solon	Skoe	

So the bill passed and its title was agreed to.

### RECONSIDERATION

Having voted on the prevailing side, Senator Pogemiller moved that the vote whereby S.F. No. 2377 was passed by the Senate on March 6, 2008, be now reconsidered. The motion prevailed. So the vote was reconsidered.

**S.F. No. 2377:** A bill for an act relating to health; modifying basic life support ambulance staffing requirements under certain circumstances; allowing a hardship waiver of advanced life support ambulance staffing requirements; modifying advanced life support ambulance staffing requirements under certain circumstances; amending Minnesota Statutes 2006, section 144E.101, subdivision 7; Minnesota Statutes 2007 Supplement, section 144E.101, subdivision 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Kubly	Ortman	Sieben
Bakk	Erickson Ropes	Langseth	Pappas	Skoe
Berglin	Fischbach	Larson	Pariseau	Skogen
Betzold	Foley	Latz	Pogemiller	Sparks
Bonoff	Frederickson	Limmer	Prettner Solon	Stumpf
Carlson	Gerlach	Lourey	Rest	Tomassoni
Chaudhary	Gimse	Lynch	Robling	Torres Ray
Clark	Hann	Marty	Rosen	Vandever
Cohen	Higgins	Metzen	Rummel	Vickerman
Dahle	Ingebrigtsen	Murphy	Saltzman	Wergin
Day	Johnson	Olseen	Saxhaug	Wiger
Dibble	Koch	Olson, G.	Scheid	
Dille	Koering	Olson, M.	Senjem	

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the Consent Calendar. The motion prevailed.

**CONSENT CALENDAR**

**S.F. No. 2262:** A bill for an act relating to telecommunications; repealing certain obsolete rules; repealing Minnesota Rules, parts 7810.0800; 7810.1300; 7810.2700; 7810.4000; 7810.5700; 7810.6200; 7810.6300; 7810.6500.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Kubly	Ortman	Sheran
Bakk	Erickson Ropes	Langseth	Pappas	Sieben
Berglin	Fischbach	Larson	Pariseau	Skoe
Betzold	Foley	Latz	Pogemiller	Skogen
Bonoff	Frederickson	Limmer	Prettner Solon	Sparks
Carlson	Gerlach	Lourey	Rest	Stumpf
Chaudhary	Gimse	Lynch	Robling	Tomassoni
Clark	Hann	Marty	Rosen	Torres Ray
Cohen	Higgins	Metzen	Rummel	Vickerman
Dahle	Ingebrigtsen	Murphy	Saltzman	Wergin
Day	Johnson	Olseen	Saxhaug	Wiger
Dibble	Koch	Olson, G.	Scheid	
Dille	Koering	Olson, M.	Senjem	

Those who voted in the negative were:

Vandevveer

So the bill passed and its title was agreed to.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Pursuant to Rule 26, Senator Pogemiller, Chair of the Committee on Rules and Administration, designated H.F. No. 3201 a Special Order to be heard immediately.

**SPECIAL ORDER**

**H.F. No. 3201:** A bill for an act relating to financing and operation of government in this state; making policy, technical, administrative, payment, enforcement, collection, proceeds distribution, refund, and other changes to income, franchise, property, state and local sales and use, motor vehicle sales, minerals, estate, cigarette and tobacco products, gasoline, liquor, insurance premiums, mortgage and deed, healthcare gross revenues, and wheelage taxes, and other taxes and tax-related provisions; conforming to certain changes in the Internal Revenue Code; changing accelerated sales tax payments; providing for licensure of assessors; changing provisions relating to the sustainable forest resource management incentive program; providing for aids to local governments; providing for state debt collection; changing border city allocation, tax increment financing, and economic development, provisions, powers, and incentives; authorizing and providing terms and conditions related to the issuance of obligations and the financing of public improvements and services; changing and imposing powers, duties, and requirements on certain local governments and



authorities and on the commissioner of revenue and other state departments and agencies; extending the time for certain publications of notices; requiring notices and publication of information; extending a petrofund fee exemption; providing for purchase of forest lands; authorizing and validating trusts to pay certain public postemployment benefits; providing for iron range higher education grants; changing revenue recapture, local impact notes, and data practices provisions; providing penalties; appropriating money; amending Minnesota Statutes 2006, sections 3.987, subdivision 1; 3.988, subdivision 3; 3.989, subdivisions 2, 3; 16A.103, subdivision 2; 16D.04, subdivisions 1, 2; 16D.11, subdivisions 2, 7; 62I.06, subdivision 6; 71A.04, subdivision 1; 97A.061, subdivision 2; 118A.03, subdivision 3; 123B.61; 127A.48, subdivision 2; 216B.1646; 270.071, subdivision 7; 270.072, subdivisions 2, 3, 6; 270.074, subdivision 3; 270.076, subdivision 1; 270.41, subdivisions 1, 2, 3, 5, by adding a subdivision; 270.44; 270.45; 270.46; 270.47; 270.48; 270.50; 270A.03, subdivision 2; 270A.10; 270C.306; 270C.34, subdivision 1; 270C.446, subdivision 2; 270C.56, subdivision 1; 270C.63, subdivision 9; 272.02, by adding subdivisions; 272.115, subdivision 1; 273.05, by adding a subdivision; 273.111, subdivision 3; 273.117; 273.121; 273.124, subdivision 13, by adding a subdivision; 273.125, subdivision 8; 273.128, subdivision 1; 273.13, subdivisions 22, 24, 25, by adding a subdivision; 273.1315; 273.1398, subdivision 4; 273.33, subdivision 2; 273.37, subdivision 2; 273.371, subdivision 1; 274.01, subdivision 1; 274.13, subdivision 1; 275.025, subdivision 3; 275.065, subdivision 5a, by adding a subdivision; 275.066; 275.067; 275.61, subdivision 1; 276.04, subdivision 2, by adding a subdivision; 276A.01, subdivision 3; 276A.04; 277.01, subdivision 2; 278.05, subdivision 6; 279.01, subdivision 1; 279.37, subdivision 1a; 280.39; 287.22; 287.2205; 289A.02, subdivision 7; 289A.08, subdivision 11; 289A.09, subdivision 2; 289A.12, subdivisions 4, 14; 289A.18, subdivision 1; 289A.20, subdivision 4; 289A.38, subdivision 7; 289A.40, subdivision 2; 289A.56, by adding a subdivision; 289A.60, subdivisions 8, 12, 15, 25, 27, by adding subdivisions; 290.01, subdivisions 19a, 19c, 19d; 290.06, subdivisions 2c, 33; 290.067, subdivision 2b; 290.0671, subdivision 7; 290.0677, subdivision 1; 290.091, subdivisions 2, 3; 290.0921, subdivision 3; 290.10; 290.17, subdivision 2; 290.191, subdivision 8; 290.92, by adding a subdivision; 290A.03, subdivision 7; 290B.03, subdivision 2; 290C.02, subdivision 3; 290C.04; 290C.05; 290C.07; 290C.11; 291.005, subdivision 1; 291.215, subdivision 1; 295.52, subdivisions 4, 4a; 295.54, subdivision 2; 296A.18, subdivision 4; 297A.61, subdivisions 3, 4, 7, 10, 24, by adding subdivisions; 297A.63, subdivision 1; 297A.665; 297A.668, by adding a subdivision; 297A.669, subdivisions 3, 13, 14, by adding subdivisions; 297A.67, subdivisions 7, 8, 9; 297A.68, subdivisions 11, 16, 35; 297A.69, subdivision 2; 297A.70, subdivision 7, by adding a subdivision; 297A.72; 297A.90, subdivision 2; 297A.99, subdivision 1; 297B.035, subdivision 1; 297F.06, subdivision 4; 297F.09, subdivision 10; 297F.21, subdivision 3; 297F.25, by adding a subdivision; 297G.09, subdivision 9; 297I.06, subdivisions 1, 2; 297I.15, by adding a subdivision; 297I.20, subdivision 2; 297I.40, subdivision 5; 298.22, by adding a subdivision; 298.2214, subdivision 2; 298.24, subdivision 1; 298.25; 298.28, subdivisions 4, 5, by adding a subdivision; 298.282, subdivision 1; 298.292, subdivision 2; 298.296, subdivision 2; 298.2961, subdivisions 4, 5; 298.75, subdivisions 1, 3, 7, by adding a subdivision; 331A.05, subdivision 2; 360.031; 365A.02; 365A.04; 365A.08; 365A.095; 373.01, subdivision 3; 373.40, subdivision 4; 375B.09; 383A.80, subdivision 4; 383A.81, subdivisions 1, 2; 383B.117, subdivision 2; 383B.77, subdivisions 1, 2; 383B.80, subdivision 4; 410.32; 412.301; 435.193; 453A.02, subdivision 3; 469.169, by adding a subdivision; 469.1734, subdivision 6; 469.174, subdivisions 10, 10a; 469.175, subdivisions 1, 3; 469.176, subdivisions 1, 2, 4l, 7; 469.1761, subdivision 1; 469.1763, subdivision 2; 469.177, subdivision 1; 469.178, subdivision 7; 469.1791, subdivision 3; 473.39, by adding subdivisions; 475.51, subdivision 4; 475.52, subdivision 6; 475.53, subdivision 1; 475.58, subdivisions 1, 3b; 477A.011, subdivision 36; 477A.013, subdivisions 8, 9; Minnesota

Statutes 2007 Supplement, sections 270A.03, subdivision 5; 272.02, subdivision 64; 273.124, subdivision 14; 275.065, subdivision 3; 290.01, subdivisions 19, 19b, 31; 290A.03, subdivision 15; 424A.10, subdivision 3; Laws 1973, chapter 393, section 1, as amended; Laws 1980, chapter 511, section 1, subdivision 2, as amended; Laws 1988, chapter 645, section 3, as amended; Laws 1989, chapter 211, section 8, subdivision 4, as amended; Laws 1993, chapter 375, article 9, section 45, subdivisions 2, as amended, 3, as amended, 4, as amended; Laws 1994, chapter 587, article 9, section 14, subdivisions 1, 2, 3; Laws 1995, chapter 264, article 5, sections 44, subdivision 4, as amended; 45, subdivision 1, as amended; Laws 1999, chapter 243, article 4, section 18, subdivisions 1, 3, 4; Laws 2003, chapter 128, article 1, section 172, as amended; Laws 2005, First Special Session chapter 3, article 5, section 39; article 10, section 23, as amended; Laws 2006, chapter 259, article 11, section 3; proposing coding for new law in Minnesota Statutes, chapters 270; 270C; 273; 274; 290C; 297A; 360; 383C; 383D; 383E; 471; 475; repealing Minnesota Statutes 2006, sections 16A.1522; 163.051, subdivision 5; 270.073; 270.41, subdivision 4; 270.43; 270.51; 270.52; 270.53; 295.60; 297A.61, subdivision 20; 297A.668, subdivision 6; 297A.67, subdivision 22; 469.174, subdivision 29; Laws 1973, chapter 393, section 2; Laws 1994, chapter 587, article 9, section 8, subdivision 1, as amended; Laws 1998, chapter 389, article 11, section 18.

Senator Bakk moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 59, line 30, after "2007" insert "except that to the extent this section impacts an employer's requirement to withhold Minnesota tax, the requirement to withhold is effective for wages paid after April 1, 2008"

The motion prevailed. So the amendment was adopted.

Senator Koering moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 71, after line 4, insert:

"Sec. 2. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 40. **Brainerd and Baxter wastewater treatment facility.** Materials and supplies used in, and equipment incorporated into, the construction of a joint wastewater treatment facility servicing the cities of Brainerd and Baxter are exempt. This exemption is for purchases made before July 1, 2010. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The cities must apply for a refund of taxes paid on purchases partially exempt under this subdivision as provided under section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after June 1, 2007.

Sec. 3. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 41. **Baxter water treatment facility.** Materials and supplies used in, and equipment incorporated into, the construction of a water treatment facility owned by the city of Baxter are exempt. This exemption is for purchases made before July 1, 2009. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of the taxes paid on purchases partially exempt under this subdivision as provided under section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after May 1, 2007.

Sec. 4. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 42. **Buffalo wastewater treatment facility.** Materials and supplies used in, and equipment incorporated into, the construction, improvement, or expansion of a wastewater treatment facility owned by the city of Buffalo are exempt. This section is effective for purchases made before December 31, 2008. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of the taxes paid on purchases partially exempt under this subdivision as provided under section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made on or after March 1, 2007.

Sec. 5. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 43. **Burnsville surface water treatment plant.** Materials and supplies used or consumed in, and equipment incorporated into, the construction, improvement, installation, or repair of facilities and improvements associated with a surface water treatment plant project located within and owned by the city of Burnsville are exempt. This exemption is for purchases made before January 1, 2010. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of the taxes paid on purchases partially exempt under this subdivision as provided in section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after March 15, 2007.

Sec. 6. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 44. **Emily; wastewater treatment facility.** Materials and supplies used in and equipment incorporated into the construction of a wastewater treatment facility in the city of Emily are exempt. This exemption is for purchases made before January 1, 2007. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of any tax paid on purchases partially exempt under this subdivision as provided in section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after January 1, 2005.

Sec. 7. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 45. **Goodview; water treatment facilities.** Materials and supplies used in, and equipment incorporated into, the construction and expansion of up to two water treatment facilities in the city of Goodview are exempt. This exemption is for purchases made before January 1, 2009. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of the taxes paid on purchases partially exempt under this subdivision as provided in section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after June 30, 2007.

Sec. 8. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 46. **Harris wastewater treatment facility.** Materials and supplies used in, and equipment incorporated into, the construction of a wastewater treatment facility and a water treatment plant owned by the city of Harris are exempt. This exemption is effective for purchases made after May

31, 2006, and on or before June 30, 2008. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of the taxes paid on purchases exempt under this subdivision as provided in section 297A.75.

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

Sec. 9. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 47. **Milaca water treatment facility.** Materials and supplies used in, and equipment incorporated into, the construction of a water treatment facility owned by the city of Milaca are exempt. This exemption is for purchases made before February 15, 2007. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of the taxes paid on purchases partially exempt under this subdivision as provided in section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made before February 15, 2007.

Sec. 10. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 48. **Minnetonka water treatment facility; sales tax exemption.** Materials and supplies used in, and equipment incorporated into, the construction of a water treatment facility owned by the city of Minnetonka are exempt from the sales and use tax under this chapter. This exemption is for purchases made before December 31, 2006. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of the taxes paid on purchases partially exempt under this subdivision as provided in section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made before December 31, 2006.

Sec. 11. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 49. **New Prague wastewater treatment facility.** Materials and supplies used in, and equipment incorporated into, the construction, improvement, and expansion of a wastewater treatment facility owned by the city of New Prague is exempt. This exemption is effective for purchases made on or before December 31, 2008. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of the taxes paid on purchases partially exempt under this subdivision as provided in section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after June 30, 2007.

Sec. 12. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 50. **New York Mills wastewater treatment facility.** Materials and supplies used in, and equipment incorporated into, the construction of a wastewater treatment facility owned by the city of New York Mills are exempt. This exemption is for purchases made before January 1, 2008. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of the taxes paid on purchases exempt under this subdivision as provided in section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made before January 1, 2008.

Sec. 13. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 51. **Pelican Rapids wastewater treatment facility.** Materials and supplies used in, and equipment incorporated into, the improvement and expansion of a wastewater treatment facility owned by the city of Pelican Rapids are exempt. This exemption is effective for purchases made on or before December 31, 2008. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of the taxes paid on purchases partially exempt under this subdivision as provided in section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made beginning on the day following final enactment.

Sec. 14. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 52. **Princeton; wastewater treatment facility.** Materials and supplies used in, and equipment incorporated into, the construction and expansion of a wastewater treatment facility, including construction of a phosphorous reduction facility, in the city of Princeton are exempt. This exemption is for purchases made before January 1, 2012. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of the taxes paid on purchases partially exempt under this subdivision as provided in section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after the day following final enactment.

Sec. 15. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 53. **Willmar wastewater treatment facility.** Materials and supplies used in, and equipment incorporated into, the construction, improvement, or expansion of a wastewater treatment facility owned by the city of Willmar are exempt. This exemption is effective for purchases made before July 1, 2012. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The city must apply for a refund of the taxes paid on purchases exempt under this subdivision as provided in section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after June 30, 2007.

Sec. 16. Minnesota Statutes 2006, section 297A.71, is amended by adding a subdivision to read:

Subd. 54. **Clearwater and Clear Lake wastewater treatment system.** Materials and supplies used in, and equipment incorporated into, the construction of a joint wastewater treatment system servicing the cities of Clearwater and Clear Lake are exempt. This exemption is for purchases made before July 1, 2011. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied. The cities must apply for a refund of taxes paid on purchases partially exempt under this subdivision as provided under section 297A.75.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after June 30, 2007.

Sec. 17. Minnesota Statutes 2006, section 297A.75, is amended by adding a subdivision to read:

Subd. 1a. **Tax collected; other.** For taxes collected on purchases exempted under sections 2 to 16, the percentage of the tax listed in each section must be refunded as provided in this section.

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

Sec. 18. Minnesota Statutes 2006, section 297A.75, subdivision 2, is amended to read:

Subd. 2. **Refund; eligible persons.** Upon application on forms prescribed by the commissioner, a refund equal to the tax paid on the gross receipts of the exempt items must be paid to the applicant. Only the following persons may apply for the refund:

- (1) for subdivision 1, clauses (1) to (3), the applicant must be the purchaser;
- (2) for ~~subdivision~~ subdivisions 1, clauses (4), (7), and (8); and 1a, the applicant must be the governmental subdivision;
- (3) for subdivision 1, clause (5), the applicant must be the recipient of the benefits provided in United States Code, title 38, chapter 21;
- (4) for subdivision 1, clause (6), the applicant must be the owner of the homestead property;
- (5) for subdivision 1, clause (9), the owner of the qualified low-income housing project;
- (6) for subdivision 1, clause (10), the applicant must be a municipal electric utility or a joint venture of municipal electric utilities; and
- (7) for subdivision 1, clauses (11) and (12), the owner of the qualifying business.

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

Sec. 19. Minnesota Statutes 2006, section 297A.75, subdivision 3, is amended to read:

Subd. 3. **Application.** (a) The application must include sufficient information to permit the commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor, or builder, under subdivision 1, clause (4), (5), (6), (7), (8), (9), (10), (11), or (12); or 1a, the contractor, subcontractor, or builder must furnish to the refund applicant a statement including the cost of the exempt items and the taxes paid on the items unless otherwise specifically provided by this subdivision. The provisions of sections 289A.40 and 289A.50 apply to refunds under this section.

(b) An applicant may not file more than two applications per calendar year for refunds for taxes paid on capital equipment exempt under section 297A.68, subdivision 5.

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

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

### CALL OF THE SENATE

Senator Bakk imposed a call of the Senate for the balance of the proceedings on H.F. No. 3201. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Koering amendment. The motion did not prevail. So the amendment was not adopted.

Senator Wergin moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 55, after line 33, insert:

"Sec. 5. Minnesota Statutes 2006, section 290.06, is amended by adding a subdivision to read:

Subd. 1b. **Special corporate rate.** (a) Notwithstanding the provisions of subdivision 1, the franchise tax imposed on a qualified corporation for the taxable year must be computed by applying to taxable income the rate of 8.8 percent.

(b) For purposes of this subdivision, a "qualified corporation" is a corporation that was certified by the commissioner of employment and economic development as increasing the number of its full-time equivalent employees in Minnesota by at least 500 during the calendar year ending in its previous taxable year. The commissioner of employment and economic development shall establish an application and certification procedure to verify the required increase in employment positions and shall notify the commissioner of each qualified corporation for each taxable year in the manner and by the time the commissioner prescribes. A certified corporation is not a qualified corporation for the taxable year unless its total Minnesota payroll, as defined in section 290.191, subdivision 12, increased by the greater of (1) \$12,500,000 or (2) one percent over the amount reported in the previous taxable year.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2008."

Page 56, after line 20, insert:

"Sec. 7. Minnesota Statutes 2006, section 290.068, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** A corporation, other than a corporation treated as an "S" corporation under section 290.9725, is allowed a credit against the portion of the franchise tax computed under section 290.06, subdivision 1, for the taxable year equal to:-

- ~~(a) 5 percent of the first \$2,000,000 of the excess (if any) of~~
- ~~(1) the qualified research expenses for the taxable year, over~~
- ~~(2) the base amount; and~~
- ~~(b) 2.5 percent on all of such excess expenses over \$2,000,000.~~

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2007."

Page 59, after line 30, insert:

"Sec. 10. Minnesota Statutes 2006, section 290.191, subdivision 2, is amended to read:

Subd. 2. **Apportionment formula of general application.** (a) Except for those trades or businesses required to use a different formula under subdivision 3 or section 290.36, and for those trades or businesses that receive permission to use some other method under section 290.20 or under subdivision 4, a trade or business required to apportion its net income must apportion its income to this state on the basis of the percentage obtained by taking the sum of:

- (1) the percent for the sales factor under paragraph (b) of the percentage which the sales made within this state in connection with the trade or business during the tax period are of the total sales

wherever made in connection with the trade or business during the tax period;

(2) the percent for the property factor under paragraph (b) of the percentage which the total tangible property used by the taxpayer in this state in connection with the trade or business during the tax period is of the total tangible property, wherever located, used by the taxpayer in connection with the trade or business during the tax period; and

(3) the percent for the payroll factor under paragraph (b) of the percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with the trade or business during the tax period are of the taxpayer's total payrolls paid or incurred in connection with the trade or business during the tax period.

(b) For purposes of paragraph (a) and subdivision 3, the following percentages apply for the taxable years specified:

Taxable years beginning during calendar year	Sales factor percent	Property factor percent	Payroll factor percent
2007	78	11	11
2008	<del>81</del> <u>85</u>	<del>9.5</del> <u>7.5</u>	<del>9.5</del> <u>7.5</u>
2009	<del>84</del> <u>90</u>	<del>8</del> <u>5</u>	<del>8</del> <u>5</u>
2010	<del>87</del> <u>95</u>	<del>6.5</del> <u>2.5</u>	<del>6.5</del> <u>2.5</u>
2011	90	5	5
2012	93	3.5	3.5
2013	96	2	2
2014 and later calendar years	100	0	0

**EFFECTIVE DATE.** This section is effective for tax years beginning after December 31, 2007."

Page 71, after line 4, insert:

"Sec. 2. Minnesota Statutes 2006, section 297A.68, subdivision 5, is amended to read:

Subd. 5. **Capital equipment.** (a) Capital equipment is exempt. ~~The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner provided in section 297A.75.~~

"Capital equipment" means machinery and equipment purchased or leased, and used in this state by the purchaser or lessee primarily for manufacturing, fabricating, mining, or refining tangible personal property to be sold ultimately at retail if the machinery and equipment are essential to the integrated production process of manufacturing, fabricating, mining, or refining. Capital equipment also includes machinery and equipment used primarily to electronically transmit results retrieved by a customer of an online computerized data retrieval system.

(b) Capital equipment includes, but is not limited to:



- (1) machinery and equipment used to operate, control, or regulate the production equipment;
  - (2) machinery and equipment used for research and development, design, quality control, and testing activities;
  - (3) environmental control devices that are used to maintain conditions such as temperature, humidity, light, or air pressure when those conditions are essential to and are part of the production process;
  - (4) materials and supplies used to construct and install machinery or equipment;
  - (5) repair and replacement parts, including accessories, whether purchased as spare parts, repair parts, or as upgrades or modifications to machinery or equipment;
  - (6) materials used for foundations that support machinery or equipment;
  - (7) materials used to construct and install special purpose buildings used in the production process;
  - (8) ready-mixed concrete equipment in which the ready-mixed concrete is mixed as part of the delivery process regardless if mounted on a chassis, repair parts for ready-mixed concrete trucks, and leases of ready-mixed concrete trucks; and
  - (9) machinery or equipment used for research, development, design, or production of computer software.
- (c) Capital equipment does not include the following:
- (1) motor vehicles taxed under chapter 297B;
  - (2) machinery or equipment used to receive or store raw materials;
  - (3) building materials, except for materials included in paragraph (b), clauses (6) and (7);
  - (4) machinery or equipment used for nonproduction purposes, including, but not limited to, the following: plant security, fire prevention, first aid, and hospital stations; support operations or administration; pollution control; and plant cleaning, disposal of scrap and waste, plant communications, space heating, cooling, lighting, or safety;
  - (5) farm machinery and aquaculture production equipment as defined by section 297A.61, subdivisions 12 and 13;
  - (6) machinery or equipment purchased and installed by a contractor as part of an improvement to real property;
  - (7) machinery and equipment used by restaurants in the furnishing, preparing, or serving of prepared foods as defined in section 297A.61, subdivision 31;
  - (8) machinery and equipment used to furnish the services listed in section 297A.61, subdivision 3, paragraph (g), clause (6), items (i) to (vi) and (viii);
  - (9) machinery or equipment used in the transportation, transmission, or distribution of petroleum, liquefied gas, natural gas, water, or steam, in, by, or through pipes, lines, tanks, mains, or other means of transporting those products. This clause does not apply to machinery or equipment

used to blend petroleum or biodiesel fuel as defined in section 239.77; or

(10) any other item that is not essential to the integrated process of manufacturing, fabricating, mining, or refining.

(d) For purposes of this subdivision:

(1) "Equipment" means independent devices or tools separate from machinery but essential to an integrated production process, including computers and computer software, used in operating, controlling, or regulating machinery and equipment; and any subunit or assembly comprising a component of any machinery or accessory or attachment parts of machinery, such as tools, dies, jigs, patterns, and molds.

(2) "Fabricating" means to make, build, create, produce, or assemble components or property to work in a new or different manner.

(3) "Integrated production process" means a process or series of operations through which tangible personal property is manufactured, fabricated, mined, or refined. For purposes of this clause, (i) manufacturing begins with the removal of raw materials from inventory and ends when the last process prior to loading for shipment has been completed; (ii) fabricating begins with the removal from storage or inventory of the property to be assembled, processed, altered, or modified and ends with the creation or production of the new or changed product; (iii) mining begins with the removal of overburden from the site of the ores, minerals, stone, peat deposit, or surface materials and ends when the last process before stockpiling is completed; and (iv) refining begins with the removal from inventory or storage of a natural resource and ends with the conversion of the item to its completed form.

(4) "Machinery" means mechanical, electronic, or electrical devices, including computers and computer software, that are purchased or constructed to be used for the activities set forth in paragraph (a), beginning with the removal of raw materials from inventory through completion of the product, including packaging of the product.

(5) "Machinery and equipment used for pollution control" means machinery and equipment used solely to eliminate, prevent, or reduce pollution resulting from an activity described in paragraph (a).

(6) "Manufacturing" means an operation or series of operations where raw materials are changed in form, composition, or condition by machinery and equipment and which results in the production of a new article of tangible personal property. For purposes of this subdivision, "manufacturing" includes the generation of electricity or steam to be sold at retail.

(7) "Mining" means the extraction of minerals, ores, stone, or peat.

(8) "Online data retrieval system" means a system whose cumulation of information is equally available and accessible to all its customers.

(9) "Primarily" means machinery and equipment used 50 percent or more of the time in an activity described in paragraph (a).

(10) "Refining" means the process of converting a natural resource to an intermediate or finished product, including the treatment of water to be sold at retail.

(11) This subdivision does not apply to telecommunications equipment as provided in subdivision 35, and does not apply to wire, cable, fiber, poles, or conduit for telecommunications services.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after June 30, 2008."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 36, as follows:

Those who voted in the affirmative were:

Carlson	Frederickson	Jungbauer	Olson, G.	Saltzman
Day	Gerlach	Koch	Olson, M.	Senjem
Dille	Gimse	Koering	Ortman	Skogen
Doll	Hann	Limmer	Pariseau	Wergin
Erickson Ropes	Ingebrigtsen	Lynch	Robling	
Fischbach	Johnson	Olseen	Rosen	

Those who voted in the negative were:

Anderson	Dahle	Lourey	Saxhaug	Torres Ray
Bakk	Dibble	Marty	Scheid	Vandever
Berglin	Foley	Metzen	Sheran	Vickerman
Betzold	Higgins	Pappas	Sieben	Wiger
Bonoff	Kubly	Pogemiller	Skoe	
Chaudhary	Langseth	Prettner Solon	Sparks	
Clark	Larson	Rest	Stumpf	
Cohen	Latz	Rummel	Tomassoni	

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

Senator Day moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 3, after line 2, insert:

"Section 1. Minnesota Statutes 2007 Supplement, section 126C.21, subdivision 3, is amended to read:

Subd. 3. **County apportionment deduction.** Each year the amount of money apportioned to a district for that year pursuant to ~~sections~~ section 127A.34, subdivision 2, ~~and 272.029, subdivision 6,~~ must be deducted from the general education aid earned by that district for the same year or from aid earned from other state sources.

**EFFECTIVE DATE.** This section is effective the day following final enactment for revenue for fiscal year 2009."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senator Hann moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 67, after line 21, insert:

"Sec. 7. Minnesota Statutes 2006, section 290.0674, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** An individual is allowed a credit against the tax imposed by this chapter in an amount equal to 75 percent of the amount paid for education-related expenses for a qualifying child in kindergarten through grade 12. For purposes of this section, "education-related expenses" means:

(1) fees or tuition for instruction by an instructor under section 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5), or a member of the Minnesota Music Teachers Association, and who is not a lineal ancestor or sibling of the dependent for instruction outside the regular school day or school year, including tutoring, driver's education offered as part of school curriculum, regardless of whether it is taken from a public or private entity or summer camps, in grade or age appropriate curricula that supplement curricula and instruction available during the regular school year, that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the required academic standards under section 120B.021, subdivision 1, and the elective standard under section 120B.022, subdivision 1, clause (2), and that do not include the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship;

(2) expenses for textbooks, including 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. "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 extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(3) a maximum expense of \$200 per family for personal computer hardware, excluding single purpose processors, and educational software that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the required academic standards under section 120B.021, subdivision 1, and the elective standard under section 120B.022, subdivision 1, clause (2), purchased for use in the taxpayer's home and not used in a trade or business regardless of whether the computer is required by the dependent's school; and

(4) the amount paid to others for tuition and transportation of a qualifying child 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 363A.

For purposes of this section, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code.

**EFFECTIVE DATE.** This section is effective for taxes for 2008 and later.

Sec. 8. Minnesota Statutes 2006, section 290.0674, subdivision 2, is amended to read:

Subd. 2. **Limitations.** (a) For claimants with income not greater than \$33,500, the maximum credit allowed for a family is ~~\$1,000~~ \$5,000 multiplied by the number of qualifying children in kindergarten through grade 12 in the family. ~~The maximum credit for families with one qualifying child in kindergarten through grade 12 is reduced by \$1 for each \$4 of household income over \$33,500, and the maximum credit for families with two or more qualifying children in kindergarten through grade 12 is reduced by \$2 for each \$4 of household income over \$33,500, but in no case is the credit less than zero.~~

~~For purposes of this section "income" has the meaning given in section 290.067, subdivision 2a. In the case of a married claimant, a credit is not allowed unless a joint income tax return is filed.~~

(b) For a nonresident or part-year resident, the credit determined under subdivision 1 and the maximum credit amount in paragraph (a) must be allocated using the percentage calculated in section 290.06, subdivision 2c, paragraph (e).

**EFFECTIVE DATE.** This section is effective for taxes for 2008 and later.

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 39, as follows:

Those who voted in the affirmative were:

Fischbach	Hann	Koch	Olson, M.	Rosen
Frederickson	Ingebrigtsen	Limmer	Ortman	Saltzman
Gerlach	Johnson	Lynch	Pariseau	Senjem
Gimse	Jungbauer	Olson, G.	Robling	Wergin

Those who voted in the negative were:

Anderson	Dahle	Langseth	Pogemiller	Sparks
Bakk	Dibble	Larson	Rest	Stumpf
Berglin	Dille	Latz	Rummel	Tomassoni
Betzold	Doll	Lourey	Saxhaug	Torres Ray
Bonoff	Erickson Ropes	Marty	Scheid	Vandever
Carlson	Foley	Metzen	Sieben	Vickerman
Chaudhary	Higgins	Murphy	Skoe	Wiger
Cohen	Kubly	Olseen	Skogen	

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

Senator Limmer moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 55, after line 33, insert:

"Sec. 5. Minnesota Statutes 2006, 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~~ 5.3 percent;

(2) On all over \$25,680, but not over \$102,030, ~~7.05~~ 7 percent;

(3) On all over \$102,030, ~~7.85~~ 7.8 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~~ 5.3 percent;

(2) On all over \$17,570, but not over \$57,710, ~~7.05~~ 7 percent;

(3) On all over \$57,710, ~~7.85~~ 7.8 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~~ 5.3 percent;

(2) On all over \$21,630, but not over \$86,910, ~~7.05~~ 7 percent;

(3) On all over \$86,910, ~~7.85~~ 7.8 percent.

For taxable years beginning after December 31, 2008, and before January 1, 2011, all of the percentage rates in this section are reduced by two-tenths of one percent, to 5.15, 6.85, and 7.65 percent. For taxable years beginning after December 31, 2010, all of the percentage rates in this section are reduced by 35 hundredths of one percent, to 5, 6.7, and 7.5 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), (5), (6), (7), (8), and (9), and reduced by the Minnesota assignable portion of the subtraction for United States government interest under section 290.01, subdivision 19b, clause (1), and the subtractions under section 290.01, subdivision 19b, clauses (9), (10), (14), (15), and (16), 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), (5), (6), (7), (8), and (9), and reduced by the amounts specified in section 290.01, subdivision 19b, clauses (1), (9), (10), (14), (15), and (16).

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2007.

Page 56, after line 20, insert:

"Sec. 7. Minnesota Statutes 2006, section 290.091, subdivision 1, is amended to read:

Subdivision 1. **Imposition of tax.** In addition to all other taxes imposed by this chapter a tax is imposed on individuals, estates, and trusts equal to the excess (if any) of

(a) an amount equal to ~~6.4~~ 6.2 percent of alternative minimum taxable income after subtracting the exemption amount, over

(b) the regular tax for the taxable year.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2008.

Sec. 8. Minnesota Statutes 2006, 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:

(A) for taxable years beginning before January 1, 2006, to the extent that the deduction exceeds 1.0 percent of adjusted gross income;

(B) for taxable years beginning after December 31, 2005, to the full extent of the deduction.

For purposes of this clause, "adjusted gross income" has the meaning given 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, clauses (7), (8), and (9);

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, clauses (9) to (16).

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~~ 6.2 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, 2008.

Sec. 9. Minnesota Statutes 2006, section 290.091, subdivision 6, is amended to read:

Subd. 6. **Credit for prior years' liability.** (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not



exceed the excess (if any) for the taxable year of

(1) the regular tax, over

(2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

(b) The adjusted net minimum tax for a taxable year equals the lesser of the net minimum tax or the excess (if any) of

(1) the tentative minimum tax, over

(2) ~~6.4~~ 6.2 percent of the sum of

(i) adjusted gross income as defined in section 62 of the Internal Revenue Code,

(ii) interest income as defined in section 290.01, subdivision 19a, clause (1),

(iii) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (ii),

(iv) depletion as defined in section 57(a)(1), determined without regard to the last sentence of paragraph (1), of the Internal Revenue Code, less

(v) the deductions allowed in computing alternative minimum taxable income provided in subdivision 2, paragraph (a), clause (2) of the first series of clauses and clauses (1), (2), and (3) of the second series of clauses, and

(vi) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted net minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2008."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 40, as follows:

Those who voted in the affirmative were:

Day	Gimse	Koch	Pariseau	Vanderveer
Dille	Hann	Koering	Robling	Wergin
Fischbach	Ingebrigtsen	Limmer	Rosen	
Frederickson	Johnson	Olson, G.	Senjem	
Gerlach	Jungbauer	Ortman	Skogen	

Those who voted in the negative were:

Bakk	Betzold	Carlson	Clark	Dahle
Berglin	Bonoff	Chaudhary	Cohen	Dibble

Doll	Larson	Murphy	Rummel	Sparks
Erickson Ropes	Latz	Olseen	Saltzman	Stumpf
Foley	Lourey	Olson, M.	Saxhaug	Tomassoni
Higgins	Lynch	Pogemiller	Scheid	Torres Ray
Kubly	Marty	Prettner Solon	Sieben	Vickerman
Langseth	Metzen	Rest	Skoe	Wiger

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

Senator Marty moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 76, delete section 2

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Dahle	Higgins	Marty	Saltzman
Berglin	Dibble	Kubly	Murphy	Sheran
Betzold	Doll	Larson	Prettner Solon	Sieben
Bonoff	Erickson Ropes	Latz	Rest	Torres Ray
Cohen	Foley	Limmer	Rummel	Wiger

Those who voted in the negative were:

Bakk	Gerlach	Langseth	Pariseau	Skogen
Carlson	Gimse	Lourey	Pogemiller	Sparks
Chaudhary	Hann	Lynch	Robling	Stumpf
Clark	Ingebrigtsen	Metzen	Rosen	Tomassoni
Day	Johnson	Olseen	Saxhaug	Vandever
Dille	Jungbauer	Olson, G.	Scheid	Vickerman
Fischbach	Koch	Olson, M.	Senjem	Wergin
Frederickson	Koering	Ortman	Skoe	

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

Senator Hann moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 9, after line 22, insert:

"Sec. 4. Minnesota Statutes 2006, section 477A.013, is amended by adding a subdivision to read:

**Subd. 11. No aid for cities with sanctuary ordinances.** Notwithstanding subdivisions 8 and 9, no city may receive aid under this section if the city has, at the time the aid is certified, an ordinance prohibiting public safety officials from undertaking any law enforcement action for the purpose of detecting the presence of undocumented persons, or to verify immigration status. Any aid that would otherwise go to a city under that section shall be redistributed to other cities under subdivisions 8 and 9.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2009."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

Day	Hann	Limmer	Robling	Skogen
Dille	Ingebrigtsen	Lynch	Rosen	Sparks
Fischbach	Johnson	Olson, G.	Rummel	Vandever
Frederickson	Jungbauer	Olson, M.	Saltzman	Vickerman
Gerlach	Koch	Ortman	Senjem	Wergin
Gimse	Koering	Pariseau	Sheran	

Those who voted in the negative were:

Anderson	Clark	Higgins	Metzen	Scheid
Bakk	Cohen	Kubly	Murphy	Sieben
Berglin	Dahle	Langseth	Olseen	Skoe
Betzold	Dibble	Larson	Pogemiller	Stumpf
Bonoff	Doll	Latz	Prettner Solon	Tomassoni
Carlson	Erickson Ropes	Lourey	Rest	Torres Ray
Chaudhary	Foley	Marty	Saxhaug	Wiger

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

Senator Limmer moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 15, after line 2, insert:

"Sec. 7. Minnesota Statutes 2006, section 273.11, subdivision 1a, is amended to read:

Subd. 1a. **Limited market value.** In the case of all property classified as agricultural homestead or nonhomestead, residential homestead or nonhomestead, or timber, ~~or nonecommercial seasonal residential-recreational~~, the assessor shall compare the value with the taxable portion of the value determined in the preceding assessment.

For assessment years ~~2004, 2005, and~~ year 2006, the amount of the increase shall not exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 25 percent of the difference between the current assessment and the preceding assessment.

For assessment year 2007, the amount of the increase shall not exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 33 percent of the difference between the current assessment and the preceding assessment.

For assessment year 2008, the amount of the increase shall not exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 50 percent of the difference between the current assessment and the preceding assessment.

This limitation shall not apply to increases in value due to improvements. For purposes of this subdivision, the term "assessment" means the value prior to any exclusion under subdivision 16.

The provisions of this subdivision shall be in effect through assessment year 2008 as provided in this subdivision.

For purposes of the assessment/sales ratio study conducted under section 127A.48, and the computation of state aids paid under chapters 122A, 123A, 123B, 124D, 125A, 126C, 127A, and 477A, market values and net tax capacities determined under this subdivision and subdivision 16,

shall be used.

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

Sec. 8. Minnesota Statutes 2006, section 273.11, is amended by adding a subdivision to read:

**Subd. 1b. Limited market value; noncommercial seasonal residential recreational property.**

(a) In the case of all property classified as noncommercial seasonal residential recreational, for assessment years 2007 and 2008 only, the taxable market value of the property shall be the same as the taxable market value determined under this section for the 2006 assessment.

(b) The assessor shall compare the value with the taxable portion of the value determined in the preceding assessment.

For assessment year 2009, the amount of the increase shall not exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 33 percent of the difference between the current assessment and the preceding assessment.

For assessment year 2010, the amount of the increase shall not exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 50 percent of the difference between the current assessment and the preceding assessment.

This limitation shall not apply to increases in value due to improvements. For purposes of this subdivision, the term "assessment" means the value prior to any exclusion under subdivision 16.

The provisions of this subdivision shall be in effect through assessment year 2010 as provided in this subdivision.

For purposes of the assessment/sales ratio study conducted under section 127A.48, and the computation of state aids paid under chapters 122A, 123A, 123B, 124D, 125A, 126C, 127A, and 477A, market values and net tax capacities determined under this subdivision and subdivision 16, shall be used.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 5 and nays 55, as follows:

Those who voted in the affirmative were:

Koch	Limmer	Pariseau	Senjem	Vandev eer
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Those who voted in the negative were:

Anderson	Clark	Fischbach	Ingebrigtsen	Lynch
Bakk	Cohen	Foley	Johnson	Marty
Berglin	Dahle	Frederickson	Jungbauer	Metzen
Betzold	Dibble	Gerlach	Koering	Murphy
Bonoff	Dille	Gimse	Langseth	Olseen
Carlson	Doll	Hann	Larson	Olson, M.
Chaudhary	Erickson Ropes	Higgins	Latz	Ortman

Pogemiller  
Prettner Solon  
Rest  
Robling

Rosen  
Rummel  
Saltzman  
Saxhaug

Scheid  
Sheran  
Sieben  
Skoe

Skogen  
Sparks  
Stumpf  
Tomassoni

Torres Ray  
Vickerman  
Wergin  
Wiger

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

Senator Limmer moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 38, after line 33, insert:

"Sec. 19. Minnesota Statutes 2006, section 275.71, subdivision 2, is amended to read:

Subd. 2. **Levy limit base.** The levy limit base for a local governmental unit for taxes levied in 2008 is equal to (1) the sum of its property taxes levied in the previous year, plus its aid under sections 477A.011 to 477A.03, its aid payments under section 298.28 and 298.282 in the preceding year, and payments to the local governmental unit under section 272.029; minus (2) any property taxes levied in the previous year for purposes listed under section 275.70, subdivision 5. The levy limit base for a local governmental unit for taxes levied in 2003 2009 and thereafter is equal to its adjusted levy limit base in the previous year, subject to any adjustments under section 275.72, plus any aid amounts received in 2003 under section 273.138 or 273.166, minus the difference between its levy limit under subdivision 5 for taxes levied in 2002 and the amount it actually levied under that subdivision in that year, and certified property tax replacement aid payable in 2003 under section 174.242.

**EFFECTIVE DATE.** This section is effective for taxes levied in 2008, payable in 2009 and thereafter.

Sec. 20. Minnesota Statutes 2006, section 275.71, subdivision 4, is amended to read:

Subd. 4. **Adjusted levy limit base.** (a) For taxes levied in 2003 2008 and thereafter, the adjusted levy limit base is equal to the levy limit base computed under ~~subdivisions~~ subdivision 2 and 3 or section 275.72, reduced by 40 percent of the difference between (1) the sum of 2003 certified aid payments, under sections 273.138, 273.1398 except for amounts certified under subdivision 4a, paragraph (b), 273.166, 477A.011 to 477A.03, 477A.06, and 477A.07, before any reduction under Laws 2003, First Special Session chapter 21, articles 5 and 6, and (2) the sum of the aids paid in 2004 under those same sections, after any reductions in 2004 under Laws 2003, First Special Session chapter 21, articles 5 and 6, multiplied by:

(1) one plus the percentage growth in the implicit price deflator;

(2) one plus the percentage increase in the number of households, if any, for the most recent 12-month period for which data is available; and

(3) one plus 50 percent of the percentage increase in the taxable market value of the jurisdiction due to new construction of class 3 property, as defined in section 273.12, subdivision 24, except for state-assessed utility and railroad operating property, for the most recent year for which data is available.

(b) For taxes levied in 2003 only, the adjusted levy limit base is increased by 60 percent of the difference between a jurisdiction's market value credit in 2003 before any reductions under Laws 2003, First Special Session chapter 21, articles 5 and 6, and its market value credit in 2004 after

reductions in Laws 2003, First Special Session chapter 21, articles 5 and 6.

**EFFECTIVE DATE.** This section is effective for taxes levied in 2008, payable in 2009 and thereafter.

Sec. 21. Minnesota Statutes 2006, section 275.71, subdivision 5, is amended to read:

Subd. 5. **Property tax levy limit.** For taxes levied in ~~2003~~ 2008 and thereafter, the property tax levy limit for a local governmental unit is equal to its adjusted levy limit base determined under subdivision 4 plus any additional levy authorized under section 275.73, which is levied against net tax capacity, reduced by the sum of (i) the total amount of aids and reimbursements that the local governmental unit is certified to receive under sections 477A.011 to 477A.014, ~~except for the increases in city aid bases in calendar year 2002 under section 477A.011, subdivision 36, paragraphs (l), (n), and (o), (ii) homestead and agricultural aids it is certified to receive under section 273.1398, (iii) (ii) taconite aids under sections 298.28 and 298.282 including any aid which was required to be placed in a special fund for expenditure in the next succeeding year, (iv) temporary court aid under section 273.1398, subdivision 4a, and (v) (iii) estimated payments to the local governmental unit under section 272.029, adjusted for any error in estimation in the preceding year.~~

**EFFECTIVE DATE.** This section is effective for taxes levied in 2008, payable in 2009 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 7 and nays 54, as follows:

Those who voted in the affirmative were:

Gerlach	Johnson	Limmer	Vandev eer
Hann	Koch	Pariseau	

Those who voted in the negative were:

Anderson	Dibble	Koering	Pogemiller	Sieben
Bakk	Dille	Langseth	Prettner Solon	Skoe
Berglin	Doll	Larson	Rest	Skogen
Betzold	Erickson Ropes	Latz	Robling	Sparks
Bonoff	Fischbach	Lourey	Rosen	Stumpf
Carlson	Foley	Lynch	Rummel	Tomassoni
Chaudhary	Frederickson	Metzen	Saltzman	Torres Ray
Clark	Gimse	Murphy	Saxhaug	Vickerman
Cohen	Higgins	Olseen	Scheid	Wergin
Dahle	Ingebrigtsen	Olson, M.	Senjem	Wiger
Day	Jungbauer	Ortman	Sheran	

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

Senator Rosen moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 55, after line 33, insert:

"Sec. 5. Minnesota Statutes 2006, section 290.0672, subdivision 2, is amended to read:

Subd. 2. **Credit.** A taxpayer is allowed a credit against the tax imposed by this chapter for long-term care insurance policy premiums paid during the tax year. The credit for each policy equals 25 percent of premiums paid to the extent not deducted in determining federal taxable income. A taxpayer may claim a credit for only one policy for each qualified beneficiary. A maximum of ~~\$100~~ \$1,000 applies to each qualified beneficiary. The maximum total credit allowed per year is ~~\$200~~ \$2,000 for married couples filing joint returns and ~~\$100~~ \$1,000 for all other filers. For a nonresident or part-year resident, the credit determined under this section must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2007."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senator Ortman moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 48, after line 7, insert:

### **"ARTICLE 3**

#### **MAXIMUM HOMESTEAD PROPERTY TAX PROGRAM**

##### **Section 1. [290D.01] MAXIMUM HOMESTEAD PROPERTY TAX PROGRAM.**

Subdivision 1. **Maximum homestead property tax.** The property taxes payable by a qualified taxpayer on a qualified homestead must not exceed the lesser of (1) the maximum tax amount determined under subdivision 2, or (2) the amount otherwise provided by law without regard to the provisions of this chapter.

Subd. 2. **Determination of maximum tax amount.** The maximum tax amount is the amount of property taxes payable in the base year, but increased by any tax amounts attributable to (1) an increase after the base year in the square footage of the dwelling, (2) the market value of any other improvements made after the base year exceeding 15 percent of the estimated market value of the homestead for the assessment year prior to the year the improvements are initially assessed, or (3) voter-approved levies exceeding the amount attributable to voter-approved levies in the base year.

##### **Sec. 2. [290D.02] DEFINITIONS.**

(a) For purposes of this chapter, the terms in this section have the meanings given them.

(b) "Base year" means the taxes payable year in which the taxpayer is qualified and in which the taxpayer has applied to the commissioner of revenue and been initially approved for the program for taxes payable in the following year by the commissioner under section 290D.04.

(c) "Property taxes payable" means the net property taxes payable on the qualified homestead excluding special assessments, interest, and penalties, and before any refund under chapter 290A.

(d) "Qualified homestead" means the dwelling occupied as the taxpayer's principal residence and so much of the land surrounding it as is reasonably necessary for use of the dwelling as a

home and any other property used for purposes of a homestead as defined in section 273.13, subdivisions 22 and 23, but not to exceed the immediately surrounding one acre of land in the case of homestead property classified under section 273.13, subdivision 23. The homestead may be part of a multidwelling building and the land on which it is built.

(e) "Qualified taxpayer" means a person who meets the program participation requirements in section 290D.03.

**Sec. 3. [290D.03] PROGRAM PARTICIPATION REQUIREMENTS; QUALIFIED TAXPAYER.**

The qualifications for participation in the maximum homestead property tax program are as follows:

(1) the property must be owned and occupied as a homestead in a county that has approved the program by a person 65 years of age or older. In the case of a married couple, both the spouses must be at least 65 years old regardless of whether the property is titled in the name of one spouse or both spouses, or titled in another way that permits the property to have homestead status;

(2) the taxpayer's total household income, as defined in section 290A.03, subdivision 5, for the calendar year preceding the year of the initial application may not exceed \$60,000; and

(3) the homestead must have been owned and occupied as the homestead of at least one of the taxpayers for at least 25 years prior to the year the initial application is filed, regardless of whether the property is titled in the name of one spouse or both spouses, or a surviving spouse, or titled in any other way that permits the property to have homestead classification.

**Sec. 4. [290D.04] APPLICATION.**

Subdivision 1. **Initial application.** A qualified taxpayer may apply to the commissioner of revenue for participation in the program. Applications are due on or before June 1 for taxes payable the following year. A taxpayer may apply in the year in which the taxpayer becomes 65 years old. The application, prescribed by the commissioner of revenue, must include:

- (1) the name, address, and Social Security number of the owner or owners;
- (2) a copy of the property tax statement for the current payable year for the homestead property;
- (3) the initial year of ownership and occupancy as a homestead;
- (4) the owner's household income for the previous calendar year; and
- (5) any other information the commissioner deems necessary.

Subd. 2. **Approval; notification.** The commissioner shall approve an initial application that qualifies under this chapter and shall notify the taxpayer on or before September 1. The commissioner may investigate the facts or require confirmation in regard to an application.

Subd. 3. **Excess-income certification by taxpayer.** The maximum tax amount does not apply for any assessment year for a taxpayer whose total household income for the previous year exceeds \$60,000. A taxpayer whose initial application has been approved under subdivision 2 shall notify the commissioner of revenue in writing by June 1 if the taxpayer's household income for the



preceding calendar year exceeded \$60,000. The certification must state the homeowner's total household income for the previous calendar year. Participation in the program under this chapter is not allowed in any year following the year in which a program participant filed or should have filed an excess-income certification under this subdivision, unless the participant has filed a resumption of eligibility certification as described in subdivision 4. On or before September 1 each year, the commissioner shall notify the county auditor that the homestead no longer qualifies for a maximum tax amount.

Subd. 4. **Resumption of eligibility certification by taxpayer.** A taxpayer who has previously filed an excess-income certification under subdivision 3 may resume program participation if the taxpayer's household income for a subsequent year is \$60,000 or less. If the taxpayer chooses to resume program participation, the taxpayer must notify the commissioner of revenue in writing by June 1 of the year following a calendar year in which the taxpayer's household income is \$60,000 or less. The certification must state the taxpayer's total household income for the previous calendar year. Once a taxpayer resumes participation in the program under this subdivision, participation will continue until the taxpayer files a subsequent excess-income certification under subdivision 3 or until participation is terminated under section 290D.06. On or before September 1, the commissioner shall notify the county auditor that the homestead qualifies for the maximum tax amount certified under section 290D.05, subdivision 1.

Subd. 5. **Penalty for failure to file excess-income certification; investigations.** The commissioner shall assess a penalty equal to 20 percent of the reduction in taxes in the case of a false application, a false certification, or in the case of a required excess-income certification that was not filed as of the applicable due date. The commissioner shall assess a penalty equal to 50 percent of the reduction in taxes if the taxpayer knowingly filed a false application or certification, or knowingly failed to file a required excess-income certification by the applicable due date. The commissioner shall assess penalties under this section through the issuance of an order under the provisions of chapter 270C. Persons affected by a commissioner's order issued under this section may appeal as provided in chapter 270C.

(b) The commissioner may conduct investigations related to initial applications and excess-income certifications required under this chapter within the period ending 3-1/2 years from the due date of the application or certification.

**Sec. 5. [290D.05] CERTIFICATION BY COMMISSIONER; CALCULATION OF TAX, TAX RATE, AND LEVY BY COUNTY AUDITOR.**

Subdivision 1. **Commissioner certification.** On or before September 1 of the year of initial application, the commissioner of revenue shall certify to the county auditor of the county in which the property is located (1) that the property qualifies for the maximum tax amount, (2) the base year, and (3) the property taxes payable on the property in the base year.

Subd. 2. **County auditor calculations.** Each year, the county auditor shall determine the maximum homestead property tax amount for the property under section 290D.01. This is the amount that must be used for the notice of proposed property taxes under section 275.065, subdivision 3.

Subd. 3. **Adjustment of tax rate and levy.** (a) If requested by the taxing jurisdiction, the county auditor may estimate the total loss of revenue to the taxing jurisdiction for taxes levied in the current year under this chapter and adjust the tax rate accordingly. If the adjustment to the tax rate is made

under this subdivision, in the following levy year the county auditor must adjust the levy of the taxing district to compensate for the amount of variance between the estimated and actual loss of revenues.

(b) If an adjustment is not made under paragraph (a), a taxing jurisdiction may increase its levy in the following year by the amount of any revenue loss under provisions of this chapter as certified by the county auditor.

(c) A levy adjustment under paragraph (a) or (b) is not subject to any levy limitations.

**Sec. 6. [290D.06] TERMINATION OF PROGRAM PARTICIPATION.**

Participation in the maximum homestead property tax program under this chapter terminates when one of the following occurs:

- (1) the property is sold or transferred;
- (2) all qualifying homeowners have died;
- (3) the homeowner notifies the commissioner in writing that the homeowner cancels participation in the program; or
- (4) the property no longer qualifies as a homestead.

**Sec. 7. EFFECTIVE DATE.**

Sections 1 to 6 are effective for taxes payable in 2008 and thereafter."

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 33, as follows:

Those who voted in the affirmative were:

Bonoff	Frederickson	Koering	Ortman	Skogen
Carlson	Gerlach	Latz	Pariseau	Vandever
Day	Gimse	Limmer	Robling	Wergin
Dille	Hann	Michel	Rosen	
Doll	Johnson	Olseen	Saltzman	
Erickson Ropes	Jungbauer	Olson, G.	Senjem	
Fischbach	Koch	Olson, M.	Sheran	

Those who voted in the negative were:

Anderson	Dibble	Lynch	Rest	Stumpf
Bakk	Foley	Marty	Rummel	Tomassoni
Betzold	Higgins	Metzen	Saxhaug	Torres Ray
Chaudhary	Kubly	Murphy	Scheid	Vickerman
Clark	Langseth	Pappas	Sieben	Wiger
Cohen	Larson	Pogemiller	Skoe	
Dahle	Lourey	Prettner Solon	Sparks	

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

Senator Senjem moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 76, after line 15, insert:

"Sec. 2. Minnesota Statutes 2006, section 295.52, is amended by adding a subdivision to read:

**Subd. 8. Contingent reduction in tax rate.** On September 1 of each odd-numbered year, beginning September 1, 2009, the commissioner of finance shall determine the projected balance of the health care access fund as of the end of the current biennium, based on the most recent February forecast adjusted for any legislative session changes. If the commissioner of finance projects a surplus in the health care access fund as of the end of the current biennium, the commissioner of finance, in consultation with the commissioner, shall reduce the tax rates specified in subdivisions 1, 1a, 2, 3, and 4, in one-tenth of one percent increments, making the largest reduction in tax rates consistent with ensuring that the health care access fund retains a surplus as of the end of the current biennium. The reduced tax rates take effect on the January 1 that immediately follows the September 1 on which the commissioner of finance determines the projected balance and remain in effect for two tax years. The tax rates specified in subdivisions 1, 1a, 2, 3, and 4, apply for subsequent tax years, unless the commissioner, based on a determination of the projected balance of the health care access fund made on September 1 of an odd-numbered year, reduces the tax rates. If the commissioner of finance does not project a surplus in the health care access fund as of the end of the current biennium, the tax rates specified in subdivisions 1, 1a, 2, 3, and 4, continue to apply. The commissioner of finance shall publish in the State Register by October 1 of each odd-numbered year the amount of tax to be imposed for the next two calendar years."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senator Senjem moved to amend H.F. No. 3201, the unofficial engrossment, as follows:

Page 11, after line 32, insert:

"Sec. 2. Minnesota Statutes 2006, section 123B.53, subdivision 5, is amended to read:

**Subd. 5. Equalized debt service levy.** (a) The equalized debt service levy of a district equals the sum of the first tier equalized debt service levy and the second tier equalized debt service levy.

(b) A district's first tier equalized debt service levy equals the district's first tier debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted school capital net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) \$3,200.

(c) A district's second tier equalized debt service levy equals the district's second tier debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted school capital net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) \$8,000.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2009 and thereafter.

Sec. 3. Minnesota Statutes 2006, section 126C.01, is amended by adding a subdivision to read:

Subd. 2a. **School capital net tax capacity.** "School capital net tax capacity" means the net tax capacity as otherwise defined under section 273.13, excluding the tax capacity attributable to agricultural land or timberland under class 2a or 2b. This exclusion does not apply to the value of improvements, nor to land that is considered part of the house, garage, and one acre of an agricultural homestead under class 2a.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2009 and thereafter.

Sec. 4. Minnesota Statutes 2006, section 126C.01, is amended by adding a subdivision to read:

Subd. 2b. **Adjusted school capital net tax capacity.** "Adjusted school capital net tax capacity" means the school capital net tax capacity defined under subdivision 2a as adjusted by the commissioner of revenue under section 127A.48.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2009 and thereafter."

Page 25, line 10, after the period, insert "All of the value attributable to improvements must be included in the first tier of the agricultural homestead, unless the value of improvements exceeds the first tier valuation limit of the agricultural homestead."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 36, as follows:

Those who voted in the affirmative were:

Day	Gimse	Kubly	Pariseau	Sparks
Dille	Hann	Limmer	Robling	Vickerman
Erickson Ropes	Johnson	Lynch	Rosen	Wergin
Fischbach	Jungbauer	Olseen	Senjem	
Frederickson	Koch	Olson, G.	Sheran	
Gerlach	Koering	Ortman	Skogen	

Those who voted in the negative were:

Anderson	Dahle	Lourey	Rest	Tomassoni
Bakk	Dibble	Metzen	Rummel	Torres Ray
Betzold	Doll	Michel	Saltzman	Vanderveer
Bonoff	Foley	Murphy	Saxhaug	Wiger
Carlson	Higgins	Olson, M.	Scheid	
Chaudhary	Langseth	Pappas	Sieben	
Clark	Larson	Pogemiller	Skoe	
Cohen	Latz	Prettner Solon	Stumpf	

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

H.F. No. 3201 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Kubly	Ortman	Sieben
Bakk	Fischbach	Langseth	Pappas	Skoe
Betzold	Foley	Larson	Pariseau	Skogen
Bonoff	Frederickson	Latz	Pogemiller	Sparks
Carlson	Gerlach	Limmer	Prettner Solon	Stumpf
Chaudhary	Gimse	Lourey	Rest	Tomassoni
Clark	Hann	Lynch	Robling	Torres Ray
Cohen	Higgins	Marty	Rosen	Vandever
Dahle	Ingebrigtsen	Metzen	Rummel	Vickerman
Day	Johnson	Michel	Saltzman	Wergin
Dibble	Jungbauer	Olseen	Saxhaug	Wiger
Dille	Koch	Olson, G.	Scheid	
Doll	Koering	Olson, M.	Senjem	

Those who voted in the negative were:

Murphy                      Sheran

So the bill, as amended, was passed and its title was agreed to.

### RECESS

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### CALL OF THE SENATE

Senator Pogemiller imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 380.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 6, 2008

**FIRST READING OF HOUSE BILLS**

The following bill was read the first time.

**H.F. No. 380:** A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale of state bonds; canceling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2006, sections 16B.32, by adding a subdivision; 16B.325; 16B.335, subdivision 2; 103D.335, subdivision 17; 116.155, subdivisions 2, 3; 116J.423, by adding a subdivision; 119A.45; 462A.21, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 16A.695, subdivision 3; 103G.222, subdivision 1; Laws 1997, chapter 21, section 1; Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 17; 23, subdivisions 8, 11, as amended, 16; Laws 2006, chapter 258, sections 7, subdivisions 7, 11, 22; 16, subdivision 5; 21, subdivisions 6, 14, 15; 23, subdivision 3; Laws 2006, chapter 282, article 11, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 116; 137; 462A.

**SUSPENSION OF RULES**

Senator Pogemiller moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 380 and that the rules of the Senate be so far suspended as to give H.F. No. 380 its second and third reading and place it on its final passage.

**CALL OF THE SENATE**

Senator Limmer imposed a call of the Senate for the balance of the proceedings on H.F. No. 380. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Pogemiller motion.

Senator Pogemiller moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Langseth	Pappas	Skoe
Bakk	Erickson Ropes	Larson	Pariseau	Skogen
Berglin	Fischbach	Latz	Pogemiller	Sparks
Betzold	Foley	Lourey	Prettner Solon	Stumpf
Bonoff	Frederickson	Lynch	Rest	Tomassoni
Carlson	Gimse	Marty	Robling	Torres Ray
Chaudhary	Hann	Metzen	Rummel	Vickerman
Clark	Higgins	Moua	Saltzman	Wergin
Cohen	Ingebrigtsen	Murphy	Saxhaug	Wiger
Dahle	Jungbauer	Olseen	Scheid	
Day	Koch	Olson, G.	Senjem	
Dibble	Koering	Olson, M.	Sheran	
Dille	Kubly	Ortman	Sieben	

Those who voted in the negative were:

Limmer                      Rosen

The motion prevailed.

H.F. No. 380 was read the second time.

Senator Langseth moved to amend H.F. No. 380 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 380, and insert the language after the enacting clause, and the title, of S.F. No. 3295, the second engrossment.

The motion prevailed. So the amendment was adopted.

Senator Hann moved to amend H.F. No. 380, as amended by the Senate March 6, 2008, as follows:

(The text of the amended House File is identical to S.F. No. 3295.)

Page 16, after line 34, insert:

**"Subd. 6. Cooperative Facilities Grants**

**11,000,000**

For grants under the Cooperative Facilities Grants Program, under Minnesota Statutes, section 123A.441 to 123A.446."

Page 46, delete lines 3 to 7

Reletter the paragraphs in sequence

Correct the section totals and the appropriation summary

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 44, as follows:

Those who voted in the affirmative were:

Bonoff	Gerlach	Koch	Pariseau	Vandev eer
Day	Gimse	Limmer	Robling	Wergin
Dille	Hann	Olseen	Rosen	
Doll	Ingebrigtsen	Olson, G.	Rummel	
Fischbach	Jungbauer	Ortman	Senjem	

Those who voted in the negative were:

Anderson	Dibble	Latz	Pappas	Skoe
Bakk	Erickson Ropes	Lourey	Pogemiller	Skogen
Berglin	Foley	Lynch	Prettner Solon	Sparks
Betzold	Frederickson	Marty	Rest	Stumpf
Carlson	Higgins	Metzen	Saltzman	Tomassoni
Chaudhary	Koering	Michel	Saxhaug	Torres Ray
Clark	Kubly	Moua	Scheid	Vickerman
Cohen	Langseth	Murphy	Sheran	Wiger
Dahle	Larson	Olson, M.	Sieben	

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

H.F. No. 380 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Langseth	Pogemiller	Skoe
Bakk	Doll	Larson	Prettner Solon	Skogen
Berglin	Erickson Ropes	Latz	Rest	Sparks
Betzold	Foley	Lourey	Robling	Stumpf
Bonoff	Frederickson	Lynch	Rosen	Tomassoni
Carlson	Gerlach	Marty	Rummel	Torres Ray
Chaudhary	Gimse	Metzen	Saltzman	Vickerman
Clark	Higgins	Moua	Saxhaug	Wergin
Cohen	Ingebrigtsen	Murphy	Scheid	Wiger
Dahle	Jungbauer	Olseen	Senjem	
Day	Koering	Olson, M.	Sheran	
Dibble	Kubly	Pappas	Sieben	

Those who voted in the negative were:

Fischbach	Koch	Michel	Ortman	Vandev eer
Hann	Limmer	Olson, G.	Pariseau	

So the bill, as amended, was passed and its title was agreed to.

### RECESS

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 380:

**H.F. No. 380:** A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale of state bonds; canceling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2006, sections 16B.32, by adding a subdivision; 16B.325; 16B.335, subdivision 2; 103D.335, subdivision 17; 116.155, subdivisions 2, 3; 116J.423, by adding a subdivision; 119A.45; 462A.21, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 16A.695, subdivision 3; 103G.222, subdivision 1; Laws 1997, chapter 21, section 1; Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3; Laws 2005, chapter



20, article 1, sections 7, subdivision 21; 17; 23, subdivisions 8, 11, as amended, 16; Laws 2006, chapter 258, sections 7, subdivisions 7, 11, 22; 16, subdivision 5; 21, subdivisions 6, 14, 15; 23, subdivision 3; Laws 2006, chapter 282, article 11, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 116; 137; 462A.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Hausman, Wagenius, Solberg, Scalze and Tingelstad have been appointed as such committee on the part of the House.

House File No. 380 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 6, 2008

Senator Pogemiller, for Senator Langseth, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 380, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

#### **RECESS**

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

#### **APPOINTMENTS**

Senator Pogemiller from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 380: Senators Langseth, Pappas, Tomassoni, Scheid and Koering.

Senator Pogemiller moved that the foregoing appointments be approved. The motion prevailed.

#### **MEMBERS EXCUSED**

Senator Jungbauer was excused from the Session of today from 11:00 a.m. to 12:00 noon. Senator Michel was excused from the Session of today from 11:00 a.m. to 1:40 p.m. Senator Moua was excused from the Session of today from 11:00 a.m. to 4:00 p.m. Senator Lourey was excused from the Session of today from 11:15 to 11:25 a.m. Senator Koering was excused from the Session of today from 12:15 to 12:25 p.m. Senator Sheran was excused from the Session of today from 12:15 to 12:30 p.m. Senator Clark was excused from the Session of today from 12:20 to 12:25 p.m. Senator Pappas was excused from the Session of today from 12:20 to 1:45 p.m. Senator Hann was excused from the Session of today from 1:15 to 1:30 p.m. Senator Ingebrigtsen was excused

from the Session of today from 1:30 to 1:55 p.m. Senator Berglin was excused from the Session of today from 1:30 to 2:00 p.m. Senator Johnson was excused from the Session of today at 4:00 p.m. Senator Vandever was excused from the Session of today from 4:00 to 4:20 p.m.

### **ADJOURNMENT**

Senator Pogemiller moved that the Senate do now adjourn until 11:00 a.m., Monday, March 10, 2008. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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