

STATE OF MINNESOTA

EIGHTY-SIXTH SESSION — 2010

 EIGHTY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 29, 2010

The House of Representatives convened at 8:30 a.m. and was called to order by Gene Pelowski, Jr., Speaker pro tempore.

Prayer was offered by the Reverend Gwin Pratt, St. Luke Presbyterian Church, Minnetonka, Minnesota.

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

The roll was called and the following members were present:

Abeler	Dettmer	Haws	Laine	Nelson	Sertich
Anderson, B.	Dill	Hayden	Lenczewski	Newton	Severson
Anderson, P.	Dittrich	Hilstrom	Lesch	Nornes	Shimanski
Anderson, S.	Doepke	Hilty	Liebling	Norton	Simon
Anzenc	Doty	Holberg	Lieder	Obermueller	Slawik
Atkins	Downey	Hoppe	Lillie	Olin	Slocum
Beard	Drazkowski	Hornstein	Loeffler	Otremba	Smith
Benson	Eastlund	Hortman	Loon	Paymar	Solberg
Bigham	Eken	Hosch	Mack	Pelowski	Sterner
Bly	Emmer	Howes	Magnus	Peppin	Swails
Brod	Falk	Huntley	Mahoney	Persell	Thao
Brown	Faust	Jackson	Mariani	Peterson	Thissen
Brynaert	Fritz	Johnson	Marquart	Poppe	Tillberry
Buesgens	Gardner	Juhnke	Masin	Reinert	Torkelson
Bunn	Garofalo	Kahn	McFarlane	Rosenthal	Urdahl
Carlson	Gottwalt	Kalin	McNamara	Rukavina	Wagenius
Champion	Greiling	Kath	Morgan	Ruud	Ward
Cornish	Gunther	Kelly	Morrow	Sailer	Walti
Davids	Hackbarth	Kiffmeyer	Mullery	Sanders	Westrom
Davnie	Hamilton	Knuth	Murdock	Scalze	Winkler
Dean	Hansen	Koenen	Murphy, E.	Scott	Zellers
Demmer	Hausman	Kohls	Murphy, M.	Seifert	Spk. Kelliher

A quorum was present.

Lanning was excused.

Clark was excused until 1:00 p.m.

The Chief Clerk proceeded to read the Journals of the preceding days. Shimanski moved that further reading of the Journals be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Carlson from the Committee on Finance to which was referred:

H. F. No. 2840, A bill for an act relating to state government; establishing a collaborative governance council; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[6.81] COLLABORATIVE GOVERNANCE COUNCIL.**

Subdivision 1. **Establishment; membership.** (a) A collaborative governance council is established and shall include major statewide governmental entities and nongovernmental statewide organizations as provided in this subdivision. The 12-member council consists of the state auditor and one member appointed by and serving at the pleasure of each of the following:

- (1) League of Minnesota Cities;
- (2) Minnesota Association of Townships;
- (3) Association of Minnesota Counties;
- (4) Minnesota School Board Association;
- (5) American Federation of State, County, and Municipal Employees;
- (6) Education Minnesota;
- (7) Service Employees International Union;
- (8) a senator appointed by the majority leader of the senate;
- (9) a senator appointed by the minority leader of the senate;
- (10) a member of the house of representatives appointed by the speaker of the house; and
- (11) a member of the house of representatives appointed by the house minority leader.

The appointing authorities under this section shall complete their initial appointments no later than July 1, 2010.

(b) Council members shall be represented by the designated appointee of each respective organization. The council shall seek input from nonmember organizations whose expertise can help inform the council's work.

(c) In conjunction with the auditor's duties to recommend best practices for delivery of local government service, the state auditor shall serve as chair of the council and shall convene the first meeting by July 31, 2010. The council must meet at least quarterly.

(d) Members do not receive compensation or reimbursement of expenses from the council for service on the council.

Subd. 2. Powers and duties; report. (a) The council shall develop recommendations to the governor and the legislature designed to increase collaboration in government. These recommendations may include, but are not limited to, strategies, policies, or other actions focused on the:

(1) review of statutes, laws, and rules that slow collaboration efforts;

(2) use of collaboration to improve the delivery of governmental services;

(3) use of technology to connect entities and share information, including broadband access;

(4) modernization of financial transactions and their oversight by facilitating credit and debit card transactions, electronic funds, transfers, and electronic data interchange; and

(5) creation of model forms for joint power agreements.

(b) By February 1 of each year, the council shall submit its recommendations, including any draft legislation necessary to implement its recommendations, to the governor and to the chairs and ranking members of the legislative committees and divisions with jurisdiction over state and local government policy and finance and early childhood through grade 12 education policy and finance.

Subd. 3. Expiration. This section expires June 30, 2015.

EFFECTIVE DATE. This section is effective June 1, 2010."

Delete the title and insert:

"A bill for an act relating to state government; establishing a collaborative governance council; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 6."

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 2848, A bill for an act relating to public safety; modifying allocation of certain state fines and forfeitures; amending Minnesota Statutes 2009 Supplement, section 299D.03, subdivision 5.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3029, A bill for an act relating to transportation; modifying provisions governing movement of large vehicles on public streets and highways; making technical changes; repealing certain rules related to motor carriers; amending Minnesota Statutes 2008, sections 169.86, subdivision 5; 169.863, subdivision 1; 169.864, subdivision 4; 169.871, subdivisions 1, 1a, 1b; Minnesota Statutes 2009 Supplement, sections 169.801, subdivision 10; 169.81, subdivision 3; 169.824, subdivision 2; 169.8261, subdivision 2; 169.864, subdivision 2; 169.865, subdivision 1;

221.025; 221.031, subdivision 3; repealing Minnesota Statutes 2008, section 169.826, subdivision 6; Minnesota Rules, parts 7800.0100, subparts 4, 6, 7, 8, 11, 12, 13, 14; 7800.0200; 7800.0400; 7800.0800; 7800.0900; 7800.1000; 7800.3200, subpart 2; 7800.3300; 7805.0500; 7805.0900; 7805.1300; 8850.7950; 8850.8000; 8850.8050, subpart 2; 8850.8100; 8850.8250; 8850.8300; 8850.8350; 8850.8800; 8850.8850; 8850.9050, subpart 3; 8855.0410; 8855.0600; 8855.0850; 8920.0100; 8920.0150; 8920.0200; 8920.0300; 8920.0400; 8920.0500; 8920.0600; 8920.0700; 8920.0800; 8920.0900; 8920.1000; 8920.1100; 8920.1200; 8920.1300; 8920.1400; 8920.1500; 8920.1550; 8920.1600; 8920.1700; 8920.1800; 8920.1900; 8920.2000; 8920.2100; 8920.2200; 8920.2300; 8920.2400; 8920.2500; 8920.2600; 8920.2700; 8920.2800; 8920.2900; 8920.3000; 8920.3100; 8920.3200; 8920.3300; 8920.3400; 8920.3500; 8920.3600; 8920.3700; 8920.3800; 8920.3900; 8920.4000; 8920.4100; 8920.4200; 8920.4300; 8920.4400; 8920.4500.

Reported the same back with the following amendments:

Page 1, after line 23, insert:

"ARTICLE 1

VEHICLE WEIGHTS AND DIMENSIONS

Section 1. Minnesota Statutes 2008, section 169.801, subdivision 5, is amended to read:

Subd. 5. **Height and width.** A person operating, or towing, or transporting an implement of husbandry that is higher than 13 feet six inches or wider than allowed under section 169.80, subdivision 2, must ensure that the operation or transportation does not damage a highway structure, utility line or structure, or other fixture adjacent to or over a public highway."

Page 3, after line 28, insert:

"Sec. 4. Minnesota Statutes 2009 Supplement, section 169.824, subdivision 1, is amended to read:

Subdivision 1. **Table of axle weight limits.** (a) No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state where the total gross weight on any group of two or more consecutive axles of any vehicle or combination of vehicles exceeds that given in the following axle weight limits table for the distance between the centers of the first and last axles of any group of two or more consecutive axles under consideration; Unless otherwise noted, the distance between axles being must be measured longitudinally to the nearest even foot, and when the measurement is a fraction of exactly one-half foot the next largest whole number in feet shall be used, except that when the distance between axles is more than three feet four inches and less than three feet six inches the distance of four feet shall be used;.

Axle Weight Limits

Maximum gross weight in pounds on a group of

Distances in feet between centers of foremost and rearmost axles of a group	2	3	4
	consecutive axles of a 2-axle vehicle or any combination of vehicles having a total of 2 or more axles	consecutive axles of a 3-axle vehicle or any combination of vehicles having a total of 3 or more axles	consecutive axles of a 4-axle vehicle or any combination of vehicles having a total of 4 or more axles
4	34,000		
5	34,000		
6	34,000		

7	34,000	37,000 <u>34,000</u>	
8	34,000	38,500 <u>34,000</u>	
8 plus	34,000	42,000	
	(38,000)		
9	35,000	43,000	
	(39,000)		
10	36,000	43,500	49,000
	(40,000)		
11	36,000	44,500	49,500
12		45,000	50,000
13		46,000	51,000
14		46,500	51,500
15		47,500	52,000
16		48,000	53,000
17		49,000	53,500
18		49,500	54,000
19		50,500	55,000
20		51,000	55,500
21		52,000	56,000
22		52,500	57,000
23		53,500	57,500
24		54,000	58,000
25		(55,000)	59,000
26		(55,500)	59,500
27		(56,500)	60,000
28		(57,000)	61,000
29		(58,000)	61,500
30		(58,500)	62,000
31		(59,500)	63,000
32		(60,000)	63,500
33			64,000
34			65,000
35			65,500
36			66,000
37			67,000
38			67,500
39			68,000
40			69,000
41			69,500
42			70,000
43			71,000
44			71,500
45			72,000
46			72,500
47			(73,500)
48			(74,000)
49			(74,500)
50			(75,500)
51			(76,000)
52			(76,500)
53			(77,500)

54	(78,000)
55	(78,500)
56	(79,500)
57	(80,000)

(b) The maximum gross weight on a group of three consecutive axles, where the distance between centers of foremost and rearmost axles is listed as of any axle group is seven feet or eight feet ~~applies only to~~, is 34,000 pounds, except for vehicles manufactured before August 1, 1991. Notwithstanding any lesser weight shown in the axle weight limits table, for vehicles manufactured before August 1, 1991:

(1) the maximum gross weight on a group of three consecutive axles, where the distance between centers of the foremost and rearmost axles of any axle group is seven feet, is 37,000 pounds; and

(2) the maximum gross weight on a group of three consecutive axles, where the distance between centers of foremost and rearmost axle groups is eight feet, is 38,500 pounds.

(c) "8 plus" refers to any distance greater than eight feet but less than nine feet.

Axle Weight Limits (continued)

Maximum gross weight in pounds on a group of

	5	6	7	8
Distances in feet between centers of foremost and rearmost axles of a group	consecutive axles of a 5-axle vehicle or any combination of vehicles having a total of 5 or more axles	consecutive axles of a 6-axle vehicle or any combination of vehicles having a total of 6 or more axles	consecutive axles of a 7-axle vehicle or any combination of vehicles having a total of 7 or more axles	consecutive axles of an 8-axle vehicle or any combination of vehicles having a total of 8 or more axles
14	57,000			
15	57,500			
16	58,000			
17	59,000			
18	59,500			
19	60,000			
20	60,500	66,000	72,000	
21	61,500	67,000	72,500	
22	62,000	67,500	73,000	
23	62,500	68,000	73,500	
24	63,000	68,500	74,000	
25	64,000	69,000	75,000	
26	64,500	70,000	75,500	
27	65,000	70,500	76,000	
28	65,500	71,000	76,500	
29	66,500	71,500	77,000	
30	67,000	72,000	77,500	
31	67,500	73,000	78,500	
32	68,000	73,500	79,000	

33	69,000	74,000	79,500	
34	69,500	74,500	80,000	
35	70,000	75,000	(80,500)	(86,000)
36	70,500	76,000	(81,000)	(86,500)
37	71,500	76,500	(81,500)	(87,000)
38	72,000	77,000	(82,000)	(87,500)
39	72,500	77,500	(82,500)	(88,500)
40	73,000	78,000	(83,500)	(89,000)
41	74,000	79,000	(84,000)	(89,500)
42	74,500	79,500	(84,500)	(90,000)
43	75,000	80,000	(85,000)	(90,500)
44	75,500	(80,500)	(85,500)	(91,000)
45	76,500	(81,000)	(86,000)	(91,500)
46	77,000	(81,500)	(87,000)	(92,500)
47	77,500	(82,000)	(87,500)	(93,000)
48	78,000	(83,000)	(88,000)	(93,500)
49	79,000	(83,500)	(88,500)	(94,000)
50	79,500	(84,000)	(89,000)	(94,500)
51	80,000	(84,500)	(89,500)	(95,000)
52	(80,500)	(85,000)	(90,500)	(95,500)
53	(81,000)	(86,000)	(91,000)	(96,500)
54	(81,500)	(86,500)	(91,500)	(97,000)
55	(82,500)	(87,000)	(92,000)	(97,500)
56	(83,000)	(87,500)	(92,500)	(98,000)
57	(83,500)	(88,000)	(93,000)	(98,500)
58	(84,000)	(89,000)	(94,000)	(99,000)
59	(85,000)	(89,500)	(94,500)	(99,500)
60	(85,500)	(90,000)	(95,000)	(100,500)
61			(95,500)	(101,000)
62			(96,000)	(101,500)
63			(96,500)	(102,000)
64			(97,000)	(102,500)
65				(103,000)
66				(103,500)
67				(104,500)
68				(105,000)
69				(105,500)
70				(106,000)
71				(106,500)
72				(107,000)
73				(107,500)
74				(108,000)

(d) The gross weights shown without parentheses in ~~this~~ the axle weight limits table are allowed on unpaved streets and highways, unless posted to a lesser weight under section 169.87, subdivision 1. The gross weights shown in this table, whether within or without parentheses, are allowed on paved streets and highways, unless posted to a lesser weight under section 169.87, subdivision 1. Gross weights in excess of 80,000 pounds require an overweight permit under this chapter, unless otherwise allowed under section 169.826.

(~~b~~) (e) Notwithstanding any lesser weight in pounds shown in ~~this~~ the axle weight limits table, but subject to the restrictions on gross vehicle weights in subdivision 2, paragraph (a), two consecutive sets of tandem axles may carry a gross load of 34,000 pounds each and a combined gross load of 68,000 pounds provided the overall distance between the first and last axles of the consecutive sets of tandem axles is 36 feet or more."

Page 6, line 4, strike "169.822" and insert "169.823"

Page 8, after line 17, insert:

"Sec. 8. Minnesota Statutes 2008, section 169.862, subdivision 1, is amended to read:

Subdivision 1. **Annual permit authority; restrictions.** The commissioner of transportation with respect to highways under the commissioner's jurisdiction, and local authorities with respect to highways under their jurisdiction, may issue an annual permit to enable a vehicle carrying bales of hay, straw, or cornstalks, with a total outside width of the vehicle or the load not exceeding 12 feet, and a total height of the loaded vehicle not exceeding ~~14-1/2~~ 15 feet, to be operated on public streets and highways. Loaded vehicles operating on interstate highways within the seven-county metropolitan area may not exceed a total height of 14 1/2 feet.

Sec. 9. Minnesota Statutes 2009 Supplement, section 169.862, subdivision 2, is amended to read:

Subd. 2. **Additional restrictions.** Permits issued under this section are governed by the applicable provisions of section 169.86 except as otherwise provided herein and, in addition, carry the following restrictions:

(a) The vehicles may not be operated between sunset and sunrise, when visibility is impaired by weather, fog, or other conditions rendering persons and vehicles not clearly visible at a distance of 500 feet, or on Sunday from noon until sunset, or on the days the following holidays are observed: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

(b) The vehicles may not be operated on a trunk highway with a pavement less than 24 feet wide.

(c) A vehicle operated under the permit must be equipped with a retractable or removable mirror on the left side so located that it will reflect to the driver a clear view of the highway for a distance of at least 200 feet to the rear of the vehicle.

(d) A vehicle operated under the permit must display red, orange, or yellow flags, 18 inches square, as markers at the front and rear and on both sides of the load. The load must be securely bound to the transporting vehicle.

(e) Farm vehicles not for hire carrying ~~round~~ baled hay, straw, or cornstalks less than 20 miles are exempt from the requirement to obtain a permit. All other requirements of this section apply to vehicles transporting ~~round~~ baled hay, straw, or cornstalks."

Page 11, delete section 11 and insert:

"Sec. 15. Minnesota Statutes 2008, section 169.871, subdivision 1a, is amended to read:

Subd. 1a. **Special permit violations.** (a) The owner or lessee of a vehicle that is operated with a gross weight in excess of ~~a an adjusted~~ an adjusted weight limit ~~imposed by permit under sections 169.86 and 169.862~~ and a shipper who ships or tenders goods for shipment in a single truck or combination vehicle that exceeds ~~a an adjusted~~ an adjusted weight limit ~~permitted under section 169.86 or 169.862~~ is liable for a civil penalty. The civil penalty is the greater of (1) as calculated at a rate of five cents per pound for each pound in excess of the highest weight permitted under section 169.86 or 169.862 allowed by the permit or under section 169.826, subdivision 1, or (2) \$100, whichever is greater.

(b) Any penalty imposed upon a defendant under this subdivision shall not exceed the penalty prescribed by this subdivision. Any fine paid by the defendant in a criminal overweight action that arose from the same overweight violation may not be applied toward payment of the civil penalty under this subdivision. A peace officer or Department of Public Safety employee described in section 299D.06 who cites a driver for a violation of the

~~adjusted weight limitations established by permit pursuant to section 169.86 or 169.862 limit~~ shall give written notice to the driver that the driver or another may also be liable for the civil penalty provided in this subdivision in the same or separate proceedings.

(c) For purposes of this subdivision, "adjusted weight limit" means a weight limit (1) imposed by a permit issued under this chapter, or (2) imposed under section 169.826, subdivision 1."

Page 14, after line 7, insert:

"ARTICLE 2

CROSS REFERENCES

Section 1. Minnesota Statutes 2008, section 169.823, as amended by Laws 2009, chapter 64, section 5, is amended to read:

169.823 TIRE WEIGHT LIMITS.

Subdivision 1. **Pneumatic-tired vehicle.** No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state:

(1) where the gross weight on any wheel exceeds 9,000 pounds on an unpaved street or highway or 10,000 pounds on a paved street or highway, unless posted to a lesser weight under section 169.87, subdivision 1;

(2) where the gross weight on any single axle exceeds 18,000 pounds on an unpaved street or highway or 20,000 pounds on a paved street or highway, unless posted to a lesser weight under section 169.87, subdivision 1;

(3) where the maximum wheel load:

(i) on the foremost and rearmost steering axles, exceeds 600 pounds per inch of tire width or the manufacturer's recommended load, whichever is less; or

(ii) on other axles, exceeds 500 pounds per inch of tire width or the manufacturer's recommended load, whichever is less; or

(4) where the gross weight on any group of axles exceeds the weights permitted under sections ~~169.822~~ 169.823 to 169.829 with any or all of the interior axles disregarded, and with an exterior axle disregarded if the exterior axle is a variable load axle that is not carrying its intended weight, and their gross weights subtracted from the gross weight of all axles of the group under consideration.

Subd. 2. **Vehicle not equipped with pneumatic tires.** A vehicle or combination of vehicles not equipped with pneumatic tires shall be governed by the provisions of sections ~~169.822~~ 169.823 to 169.829, except that the gross weight limitations shall be reduced by 40 percent.

Sec. 2. Minnesota Statutes 2008, section 169.826, as amended by Laws 2009, chapter 64, section 57, is amended to read:

169.826 GROSS WEIGHT SEASONAL INCREASES.

Subdivision 1. **Winter increase amounts.** The limitations provided in sections ~~169.822~~ 169.823 to 169.829 are increased by ten percent between the dates set by the commissioner for each zone established by the commissioner based on a freezing index model each winter.

Subd. 1a. **Harvest season increase amount; permit.** The limitations provided in sections ~~169.822~~ 169.823 to 169.829 are increased by ten percent from the beginning of harvest to November 30 each year for the movement of sugar beets, carrots, and potatoes from the field of harvest to the point of the first unloading. Transfer of the product from a farm vehicle or small farm trailer, within the meaning of chapter 168, to another vehicle is not considered to be the first unloading. A permit issued under section 169.86, subdivision 1, paragraph (a), is required. The commissioner shall not issue permits under this subdivision if to do so will result in a loss of federal highway funding to the state.

Subd. 2. **Duration.** The duration of a ten percent increase in load limits is subject to limitation by order of the commissioner, subject to implementation of springtime load restrictions.

Subd. 3. **Excess weight permit.** When the ten percent increase is in effect, a permit is required for a motor vehicle, trailer, or semitrailer combination that has a gross weight in excess of 80,000 pounds, an axle group weight in excess of that prescribed in section 169.824, or a single axle weight in excess of 20,000 pounds and which travels on interstate routes.

Subd. 4. **Weight limits set by other law.** In cases where gross weights in an amount less than that set forth in sections ~~169.822~~ 169.823 to 169.829 are fixed, limited, or restricted on a highway or bridge by or under another section of this chapter, the lesser gross weight as fixed, limited, or restricted may not be exceeded and must control instead of the gross weights set forth in sections ~~169.822~~ 169.823 to 169.829.

Subd. 6. **Permit extension.** The commissioner may, after determining the ability of the highway structure and frost condition to support additional loads, grant a permit extending seasonal increases for vehicles using portions of routes falling within two miles of the southern boundary of the zone described under subdivision 1, clause (2).

Sec. 3. Minnesota Statutes 2009 Supplement, section 169.8261, subdivision 1, is amended to read:

Subdivision 1. **Exemption.** (a) For purposes of this section, "raw or unfinished forest products" include wood chips, paper, pulp, oriented strand board, laminated strand lumber, hardboard, treated lumber, untreated lumber, or barrel staves.

(b) In compliance with this section, a person may operate a vehicle or combination of vehicles to haul raw or unfinished forest products by the most direct route to the nearest paved highway on any highway with gross weights permitted under sections ~~169.822~~ 169.823 to 169.829.

Sec. 4. Minnesota Statutes 2008, section 169.828, subdivision 1, is amended to read:

Subdivision 1. **Consecutive axle weight and number of axles.** No vehicle alone nor any single vehicle of a combination of vehicles shall be equipped with more than four axles unless the additional axles are steering axles or castering axles; provided that the limitation on the number of axles as provided in sections ~~169.822~~ 169.823 to 169.829 shall not apply to any vehicle operated under permit pursuant to section 169.86. No vehicle alone nor any single vehicle of a combination of vehicles shall exceed the posted weight limit for a single vehicle.

Sec. 5. Minnesota Statutes 2008, section 169.829, is amended to read:

169.829 WEIGHT LIMITS NOT APPLICABLE TO CERTAIN VEHICLES.

Subdivision 1. **City vehicle except on trunk highway.** (a) The provisions of sections ~~169.822~~ 169.823 to 169.828 do not apply to vehicles operated exclusively in any city in this state which has in effect an ordinance regulating the gross weight of vehicles operated within that city.

(b) This subdivision does not apply to trunk highways.

Subd. 2. **Tow truck.** Sections ~~169.822~~ 169.823 to 169.828 do not apply to a tow truck or towing vehicle when towing a disabled or damaged vehicle, when the movement is urgent, and when the movement is for the purpose of removing the disabled vehicle from the roadway to a place of safekeeping or to a place of repair.

Subd. 3. **Utility vehicle.** Sections ~~169.822~~ 169.823 to 169.828 do not apply to a utility vehicle that does not exceed a weight of 20,000 pounds per axle and is owned by:

(1) a public utility, as defined in section 216B.02;

(2) a municipality or municipal utility that operates that vehicle for its municipal electric, gas, or water system; and

(3) a cooperative electric association organized under chapter 308A.

Sec. 6. Minnesota Statutes 2009 Supplement, section 169.85, subdivision 2, is amended to read:

Subd. 2. **Unloading.** (a) Upon weighing a vehicle and load, as provided in this section, an officer may require the driver to stop the vehicle in a suitable place and remain standing until a portion of the load is removed that is sufficient to reduce the gross weight of the vehicle to the limit permitted under either section 168.013, subdivision 3, paragraph (b), or sections ~~169.822~~ 169.823 to 169.829, whichever is the lesser violation, if any. A suitable place is a location where loading or tampering with the load is not prohibited by federal, state, or local law, rule, or ordinance.

(b) Except as provided in paragraph (c), a driver may be required to unload a vehicle only if the weighing officer determines that (1) on routes subject to the provisions of sections ~~169.822~~ 169.823 to 169.829, the weight on an axle exceeds the lawful gross weight prescribed by sections ~~169.822~~ 169.823 to 169.829, by 2,000 pounds or more, or the weight on a group of two or more consecutive axles in cases where the distance between the centers of the first and last axles of the group under consideration is ten feet or less exceeds the lawful gross weight prescribed by sections ~~169.822~~ 169.823 to 169.829, by 4,000 pounds or more; or (2) the weight is unlawful on an axle or group of consecutive axles on a road restricted in accordance with section 169.87. Material unloaded must be cared for by the owner or driver of the vehicle at the risk of the owner or driver.

(c) If the gross weight of the vehicle does not exceed the vehicle's registered gross weight plus the weight allowance set forth in section 168.013, subdivision 3, paragraph (b), and plus, if applicable, the weight allowance permitted under section 169.826, then the driver is not required to unload under paragraph (b).

Sec. 7. Minnesota Statutes 2008, section 169.851, subdivision 5, is amended to read:

Subd. 5. **Exception for farm and forest products.** Subdivision 4 does not apply to the first haul of unprocessed or raw farm products and the transportation of raw and unfinished forest products, including wood chips, when the maximum weight limitations permitted under sections ~~169.822~~ 169.823 to 169.829 are not exceeded by more than ten percent.

Sec. 8. Minnesota Statutes 2008, section 169.86, subdivision 1a, is amended to read:

Subd. 1a. **Seasonal permits for certain haulers.** The commissioner of transportation, upon application in writing therefor, may issue special permits annually to any hauler authorizing the hauler to move vehicles or combinations of vehicles with weights exceeding by not more than ten percent the weight limitations contained in sections ~~169.822~~ 169.823 to 169.829, on interstate highways during the times and within the zones specified in sections ~~169.822~~ 169.823 to 169.829.

Sec. 9. Minnesota Statutes 2009 Supplement, section 169.87, subdivision 2, is amended to read:

Subd. 2. **Seasonal load restriction.** (a) Unless restricted as provided in subdivision 1, between the dates set by the commissioner of transportation each year, the weight on any single axle shall not exceed:

(1) five tons on an unpaved street or highway; or

(2) ten tons on a paved street or highway.

(b) The gross weight on consecutive axles on an unpaved street or highway shall not exceed the gross weight allowed in sections ~~169.822~~ 169.823 to 169.829 multiplied by a factor of five divided by nine. This reduction shall not apply to the gross vehicle weight."

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3191, A bill for an act relating to human services; including sexual contact in secure treatment facilities as criminal sexual conduct in the fourth degree; amending Minnesota Statutes 2008, section 609.345, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2008, section 609.344, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case if the actor is no more than 120 months older than the complainant, it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, the actor may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense;

(c) the actor uses force or coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred:

(i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.

Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual penetration by means of deception or false representation that the penetration is for a bona fide medical purpose. Consent by the complainant is not a defense;

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual penetration occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual penetration occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;

(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, or secure treatment facility, or treatment facility providing services to clients civilly committed as mentally ill and dangerous, sexually dangerous persons, or sexual psychopathic personalities,

including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense. "Secure treatment facility" has the meaning given in section 253B.02, subdivision 18a;

(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, and the sexual penetration occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense; or

(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual penetration occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "fourth degree" and insert "third and fourth degrees"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3237, A bill for an act relating to human services; changing health care eligibility provisions; making changes to individualized education plan requirements; state health access program; coverage of private duty nursing services; children's health insurance reauthorization act; long-term care partnership; asset transfers; community clinics; dental benefits; prior authorization for health services; drug formulary committee; preferred drug list; multisource drugs; administrative uniformity committee; health plans; claims against the state; income standards for eligibility; prepaid health plans; amending Minnesota Statutes 2008, sections 62A.045; 62Q.80; 62S.24, subdivision 8; 256B.055, subdivision 10; 256B.057, subdivision 1; 256B.0571, subdivision 6; 256B.0625, subdivisions 13c, 13g, 25, 30, by adding a subdivision; 256L.04, subdivision 7b; Minnesota Statutes 2009 Supplement, sections 15C.13; 256B.032; 256B.056, subdivision 1c; 256B.0571, subdivision 8; 256B.0625, subdivisions 9, 13e, 26; 256B.69, subdivisions 5a, 23; 256D.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 62Q; 62S; repealing Minnesota Statutes 2008, sections 256B.0571, subdivision 10; 256B.0595, subdivisions 1b, 2b, 3b, 4b, 5.

Reported the same back with the following amendments:

Pages 3 to 4, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "coverage of private duty nursing services;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3329, A bill for an act relating to education finance; clarifying the retired employee health benefits levy calculation; amending Minnesota Statutes 2009 Supplement, section 126C.41, subdivision 2.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3330, A bill for an act relating to education; clarifying revenue definitions for school districts and charter schools; amending Minnesota Statutes 2008, section 125A.79, subdivision 1.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3515, A bill for an act relating to state government; specifying the name of the state accounting and procurement system; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **APPROPRIATION; DEPARTMENT OF REVENUE.**

Subdivision 1. **Tax system management.** (a) \$2,428,500 is appropriated to the commissioner of revenue for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general fund revenues of \$6,532,500 for fiscal year 2011. This initiative is in addition to any other initiative enacted in the 2010 legislative session.

(b) The department must report to the chairs of the house of representative Ways and Means and senate Finance Committees by March 15, 2011, and January 15, 2012, on the following performance indicators:

(1) the number of corporations noncompliant with the corporate tax system each year and the percentage and dollar amounts of valid tax liabilities collected;

(2) the number of businesses noncompliant with the sales and use tax system and the percentage and dollar amount of the valid tax liabilities collected; and

(3) the number of individual noncompliant cases resolved and the percentage and dollar amount of valid tax liabilities collected.

(c) The reports must also identify base-level expenditures and staff positions related to compliance and audit activities, including baseline information as of January 1, 2009. The information must be provided at the budget activity level.

Subd. 2. **Debt collection management.** \$935,000 is for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general fund revenues of \$6,900,000 for fiscal year 2011. This initiative is in addition to any other initiative enacted in the 2010 legislative session.

Subd. 3. **Telecommuting.** To the extent possible, staff hired for the compliance initiative under this section must telecommute.

Sec. 2. **REQUEST FOR PROPOSALS.**

(a) The commissioner of revenue shall issue a request for proposals for a contract to implement a system of tax analytics and business intelligence tools to enhance the state's tax collection process and revenues by improving the means of identifying candidates for audit and collection activities and prioritizing those activities to provide the highest returns on auditors' and collection agents' time. The request for proposals must require that the system recommended and implemented by the contractor:

(1) leverage the Department of Revenue's existing data and other available data sources to build models that more effectively and efficiently identify accounts for audit review and collections;

(2) leverage advanced analytical techniques and technology such as pattern detection, predictive modeling, clustering, outlier detection, and link analysis to identify suspect accounts for audit review and collections;

(3) leverage a variety of approaches and analytical techniques to rank accounts and improve the success rate and the return on investment of department employees engaged in audit activities;

(4) leverage technology to make the audit process more sustainable and stable, even with turnover of department auditing staff;

(5) provide optimization capabilities to more effectively prioritize collections and increase the efficiency of employees engaged in collections activities; and

(6) incorporate mechanisms to decrease wrongful auditing and reduce interference with Minnesota taxpayers who are fully complying with the laws.

(b) Based on acceptable responses to the request for proposals, the commissioner shall enter into a contract for the services specified in paragraph (a) by July 1, 2012. The contract must incorporate a performance-based vendor financing option whereby the vendor shares in the risk of the project's success.

EFFECTIVE DATE. This section is effective July 1, 2011."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money to the commissioner of revenue for additional activities to identify and collect tax liabilities; directing the commissioner to issue a request for proposals for a contract to implement a related system of tax analytics and business intelligence tools."

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3741, A bill for an act relating to the state budget; modifying certain payment schedules; amending Minnesota Statutes 2008, sections 276.112; 289A.60, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 137.025, subdivision 1; 289A.20, subdivision 4.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2840, 3191 and 3237 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Jackson introduced:

H. F. No. 3745, A bill for an act relating to human services; increasing payment rates for nursing facilities in Mille Lacs County to the peer group one median rate; amending Minnesota Statutes 2008, section 256B.441, by adding a subdivision.

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

Clark introduced:

H. F. No. 3746, A bill for an act relating to environment; requiring enhanced occupational safety standards for closed landfill cleanup; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 115B.

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

Olin and Marquart introduced:

H. F. No. 3747, A bill for an act relating to property taxation; allowing the Thief River Falls airport authority to levy against referendum market value rather than net tax capacity.

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

Simon introduced:

H. F. No. 3748, A bill for an act relating to local government; authorizing chairs and ranking minority members of the Committees on Finance and Ways and Means to request local impact notes; amending Minnesota Statutes 2008, section 3.987, subdivision 1.

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

Sertich moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Pelowski.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 3108, A bill for an act relating to elections; changing and clarifying certain provisions; amending Minnesota Statutes 2008, sections 201.016, subdivision 1a; 201.061, subdivision 1; 201.11; 201.12; 201.121, subdivision 3; 201.13; 201.14; 201.15, subdivisions 1, 2; 201.155; 201.171; 203B.02, subdivision 3; 203B.04, subdivision 1; 203B.06, subdivisions 1, as amended, 5; 203B.081, as amended; 203B.16, subdivision 2; 203B.19; 203B.227; 204B.04, subdivision 2; 204B.135, subdivision 4; 204B.14, by adding a subdivision; 204B.18, subdivision 1; 204B.22, subdivisions 1, 2; 204B.24; 204B.27, subdivisions 2, 3; 204B.28, by adding a subdivision; 204B.38; 204C.02; 204C.04, subdivision 1; 204C.06, subdivision 1; 204C.08; 204C.09, subdivision 1; 204C.12, subdivision 2; 204C.13, subdivision 2; 204C.24, subdivision 1; 204C.28, subdivisions 1, 2; 204C.33, subdivision 1; 204C.35, subdivisions 2, 3; 204C.36, subdivisions 3, 4; 204C.37; 204D.04, subdivision 2; 204D.09, subdivision 2; 204D.10, subdivision 1; 204D.17; 204D.19; 204D.20, subdivision 1; 205.065, subdivision 1, as amended; 205.07, subdivision 1, by adding a subdivision; 205.13, subdivisions 1, 2; 205.16, subdivisions 2, 3, 4, as amended, 5, as amended; 205A.03, subdivision 2, as amended; 205A.04, subdivision 1; 205A.05, subdivision 1; 205A.07, subdivisions 3, as amended, 3a, as amended, 3b, as amended; 205A.11, subdivision 3; 206.57, subdivision 6; 208.03; 365.51, subdivision 1; 375.101, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 201; 204D; 205; 205A; 373; repealing Minnesota Statutes 2008, sections 3.22; 204B.22, subdivision 3; 204D.10, subdivision 2; 206.57, subdivision 7; 206.805, subdivision 2; 206.91.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2561, A bill for an act relating to highways; designating a Veterans Memorial Bridge on marked Trunk Highway 95 in the city of North Branch; amending Minnesota Statutes 2008, section 161.14, by adding a subdivision.

H. F. No. 2786, A bill for an act relating to the city of Duluth; providing for membership of the Spirit Mountain Recreation Area Authority; amending Laws 1973, chapter 327, section 2, subdivision 2, as amended.

H. F. No. 2915, A bill for an act relating to bridges; providing for ongoing prioritization of bridge projects; amending Minnesota Statutes 2008, section 165.14, subdivision 4, by adding a subdivision.

H. F. No. 3350, A bill for an act relating to local government; prohibiting city employees from serving on the city council or as mayor; amending Minnesota Statutes 2008, section 412.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 410.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

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

S. F. Nos. 2535, 2709, 2912, 2923, 2927, 3027 and 2877.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2535, A bill for an act relating to cable communications; clarifying requirements for the granting of additional cable franchises; amending Minnesota Statutes 2008, section 238.08, subdivision 1.

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

S. F. No. 2709, A bill for an act relating to corrections; modifying inmate payment of room and board to include any time credited for time served; amending Minnesota Statutes 2008, section 641.12, subdivision 3.

The bill was read for the first time.

Olin moved that S. F. No. 2709 and H. F. No. 3038, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2912, A bill for an act relating to human services; amending children's mental health policy provisions; making a technical change to community health workers; amending Minnesota Statutes 2008, sections 256B.761; 260C.157, subdivision 3; Minnesota Statutes 2009 Supplement, sections 245.4885, subdivisions 1, 1a; 256B.0625, subdivision 49; 256B.0943, subdivision 9.

The bill was read for the first time.

Hosch moved that S. F. No. 2912 and H. F. No. 2926, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2923, A bill for an act relating to health; modifying provisions regulating home health care services; amending Minnesota Statutes 2008, sections 144A.45, subdivisions 2, 4; 144A.46, subdivisions 2, 3; Minnesota Statutes 2009 Supplement, section 144A.46, subdivision 1.

The bill was read for the first time.

Hosch moved that S. F. No. 2923 and H. F. No. 3196, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2927, A bill for an act relating to veterans; clarifying and amending certain Veterans Preference Act provisions; amending Minnesota Statutes 2008, section 197.481, subdivisions 1, 2, 4.

The bill was read for the first time.

Juhnke moved that S. F. No. 2927 and H. F. No. 3508, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3027, A bill for an act relating to human services; changing health care eligibility provisions; making changes to individualized education plan requirements; state health access program; children's health insurance reauthorization act; long-term care partnership; asset transfers; community clinics; dental benefits; prior authorization for health services; drug formulary committee; preferred drug list; multisource drugs; administrative uniformity committee; health plans; claims against the state; income standards for eligibility; prepaid health plans; amending Minnesota Statutes 2008, sections 62A.045; 62Q.80; 62S.24, subdivision 8; 256B.055, subdivision 10; 256B.057, subdivision 1; 256B.0571, subdivision 6; 256B.0625, subdivisions 13c, 13g, 25, 30, by adding a subdivision; 256L.04, subdivision 7b; Minnesota Statutes 2009 Supplement, sections 15C.13; 256B.056, subdivision 1c; 256B.0571, subdivision 8; 256B.0625, subdivisions 9, 13e, 26; 256B.69, subdivisions 5a, 23; 256D.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62S; repealing Minnesota Statutes 2008, sections 256B.0571, subdivision 10; 256B.0595, subdivisions 1b, 2b, 3b, 4b, 5.

The bill was read for the first time.

Huntley moved that S. F. No. 3027 and H. F. No. 3237, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2877, A bill for an act relating to health-related occupations; providing an exception for continuing education requirements for licensed professional counselors; amending Minnesota Statutes 2008, section 148B.54, by adding a subdivision.

The bill was read for the first time.

Simon moved that S. F. No. 2877 and H. F. No. 3212, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1671

A bill for an act relating to the financing and operation of state and local government; appropriating money or reducing appropriations for state government, higher education and economic development, environment and natural resources, activities or programs of Department of Commerce, agriculture, veterans affairs, transportation, public safety, judiciary, Uniform Laws Commission, Private Detective Board, human rights, corrections, Sentencing

Guidelines Commission, minority boards, public facilities authority, tourism, humanities, public broadcasting, zoos, science museum, and Housing Finance Agency; modifying loan, grant, and scholarship provisions; funding certain projects for veterans; increasing bond limits; establishing a central system office and governing credit transfers for the Minnesota State Colleges and Universities; requiring bond issues for certain projects; modifying investment disposition of mineral fund; modifying mineral fund payments in lieu of taxes; providing for or modifying certain provisions relating to membership of tourism council and film and TV reimbursement amounts; modifying provisions relating to continuing education for certain licensed occupations, securities transaction exemptions, mortgages, and operation of state government; modifying certain Boards of Barber Examiners and Cosmetology provisions; establishing a new trunk highway emergency relief account; amending provisions related to trunk highway bonding, hazardous materials permits, fire safety account, uses of public safety service fee, grants for emergency shelters, and in-service training for peace officers; authorizing county sentence to service programs to charge fees; changing provisions relating to agriculture and veterans affairs; changing provisions for expenses of governor-elect, disposal of old state-owned buildings, public access to parking spaces, fleet management, and lease purchase agreements; providing for operation of a state recycling center and a state Webmaster for state Web sites; providing for Web access to appropriations information; requiring two-sided printing for state use; requiring standards to enhance public access to state electronic data; providing for zero-based budgeting; creating a commission to reengineer delivery of government services; providing for transfers to Help America Vote Act account; changing and creating funds and accounts; modifying provisions for tax return preparers; requesting proposals for enhancing the state's tax collection process and revenues; modifying calculation of state aids and credits for local government; authorizing and adjusting fees; establishing a pilot project; making technical changes; requiring reports; providing for rulemaking; amending Minnesota Statutes 2008, sections 4.51; 16B.04, subdivision 2; 16B.24, subdivision 3; 16B.48, subdivision 2; 16E.04, subdivision 2; 16E.05, by adding a subdivision; 18G.07; 79.34, subdivision 1; 80A.46; 80A.65, subdivision 1; 97A.061, subdivision 1; 103G.705, subdivision 2; 115A.15, subdivision 6; 116L.17, subdivision 2; 116U.25; 116U.26; 136A.121, subdivision 6; 136A.1701, subdivision 4; 136A.29, subdivision 9; 154.06; 154.065, subdivision 2; 154.07, by adding a subdivision; 154.15, by adding a subdivision; 161.04, by adding a subdivision; 273.1384, by adding a subdivision; 297I.06, subdivision 3; 326B.148, subdivision 1; 403.11, subdivision 1; 471.6175, subdivision 4; 477A.013, subdivision 9; 477A.03, subdivisions 2a, 2b; 477A.12, subdivision 1; 611A.32, subdivisions 1, 2; 626.8458, subdivision 5; 641.12, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 16A.152, subdivision 2; 16A.82; 16E.02, subdivision 1; 45.30, subdivision 6; 136A.121, subdivision 9; 136F.98, subdivision 1; 154.002; 154.003; 155A.23, by adding a subdivision; 155A.24, subdivision 2, by adding subdivisions; 155A.25; 190.19, subdivision 2a; 270C.145; 273.111, subdivision 9; 275.70, subdivision 5; 289A.08, subdivision 16; 298.294; 299A.45, subdivision 1; 357.021, subdivision 7; Laws 2007, chapter 45, article 1, section 3, subdivisions 4, as amended, 5, as amended; Laws 2009, chapter 37, article 2, section 13; Laws 2009, chapter 78, article 1, section 3, subdivision 2; article 7, section 2; Laws 2009, chapter 83, article 1, sections 10, subdivisions 4, 7; 11; 14, subdivision 2; Laws 2009, chapter 94, article 1, section 3, subdivision 5; article 3, section 2, subdivision 3; Laws 2009, chapter 95, article 1, sections 3, subdivisions 6, 21; 5, subdivision 2; Laws 2009, chapter 101, article 1, section 31; proposing coding for new law in Minnesota Statutes, chapters 10; 15B; 16A; 16B; 97A; 136A; 136F; 477A; repealing Minnesota Statutes 2008, sections 13.721, subdivision 4; 136A.127, subdivisions 1, 3, 5, 6, 7, 10, 11; 154.07, subdivision 5; 176.135, subdivision 1b; 221.0355, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18; 477A.03, subdivision 5; Minnesota Statutes 2009 Supplement, sections 135A.61; 136A.121, subdivision 9b; 136A.127, subdivisions 2, 4, 9, 9b, 10a, 14.

March 28, 2010

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzgen
President of the Senate

We, the undersigned conferees for H. F. No. 1671 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1671 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

SUMMARY

Section 1. **GENERAL FUND SUMMARY.**

The amounts shown in this section summarize general fund direct appropriations, cancellations, and transfers into the general fund from other funds, made in this act.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>Higher Education</u>	\$1,427,000	\$(48,427,000)	\$(47,000,000)
<u>Environment and Natural Resources</u>	(5,300,000)	(7,457,000)	(12,757,000)
<u>Energy</u>	(890,000)	(322,000)	(1,212,000)
<u>Agriculture</u>	(2,780,000)	(3,374,000)	(5,754,000)
<u>Veterans Affairs</u>	-0-	200,000	200,000
<u>Economic Development</u>	(2,531,000)	(4,589,000)	(7,120,000)
<u>Transportation</u>	-0-	(14,650,000)	(14,650,000)
<u>Public Safety</u>	(8,043,000)	(14,608,000)	(22,651,000)
<u>State Government</u>	(3,545,000)	(2,345,000)	(5,890,000)
<u>Tax Aids and Credits</u>	-0-	(111,279,000)	(111,279,000)
<u>Subtotal of Appropriations</u>	<u>(21,662,000)</u>	<u>(206,851,000)</u>	<u>(228,513,000)</u>
<u>Transfers In</u>	20,482,000	34,684,000	55,166,000
<u>Total</u>	<u>\$(42,144,000)</u>	<u>\$(241,535,000)</u>	<u>\$(283,679,000)</u>

ARTICLE 2

HIGHER EDUCATION

Section 1. **SUMMARY OF APPROPRIATIONS.**

Subdivision 1. **Summary Total.** The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$1,427,000	\$(48,427,000)	\$(47,000,000)

Subd. 2. **Summary by Agency - All Funds.** The amounts shown in this subdivision summarize direct appropriations, by agency, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>Minnesota Office of Higher Education</u>	\$1,427,000	\$(1,840,000)	\$(413,000)
<u>Board of Trustees of the Minnesota State Colleges and Universities</u>	-0-	(10,467,000)	(10,467,000)
<u>Board of Regents of the University of Minnesota</u>	-0-	(36,120,000)	(36,120,000)
<u>Total</u>	<u>\$1,427,000</u>	<u>\$(48,427,000)</u>	<u>\$(47,000,000)</u>

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 95, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2010</u>	<u>2011</u>

Sec. 3. **OFFICE OF HIGHER EDUCATION**

Subdivision 1. <u>Total Appropriation</u>	<u>\$1,427,000</u>	<u>\$(1,840,000)</u>
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The appropriation additions or reductions for each purpose are shown in the following subdivisions.

Subd. 2. <u>State Work-Study</u>	-0-	(1,768,000)
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This is a onetime reduction.

Subd. 3. <u>Technical and Community College Emergency Grants</u>	-0-	(50,000)
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Subd. 4. <u>Interstate Tuition Reciprocity</u>	1,487,000	264,000
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This is a onetime appropriation.

Subd. 5. <u>Agency Administration</u>	(60,000)	(81,000)
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Subd. 6. <u>MnLink Gateway and Minitex</u>	-0-	(205,000)
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This is a onetime reduction.

Sec. 4. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total Appropriation **\$-0-** **\$(10,467,000)**

The appropriation additions or reductions for each purpose are shown in the following subdivisions.

The Board of Trustees must make a good-faith effort to make the reductions required by this section at campuses and the central office in a manner that minimizes reductions related to providing direct services to students and that maximizes reductions for administrative services not providing direct services to students.

Subd. 2. Central Office and Shared Services Unit **-0-** **(500,000)**

Subd. 3. Operations and Maintenance **-0-** **(9,967,000)**

For fiscal years 2012 and 2013, the base for operations and maintenance is \$592,792,000 each year.

Subd. 4. Cook County Higher Education

\$40,000 in fiscal year 2010 and \$40,000 in fiscal year 2011 appropriated by Laws 2009, chapter 95, article 1, section 4, to the board of trustees for operations and maintenance are for Cook County higher education. This subdivision is effective the day following final enactment.

Sec. 5. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation **\$-0-** **\$(36,120,000)**

The amounts that must be reduced or added for each purpose are specified in the following subdivisions.

Subd. 2. Operations and Maintenance **-0-** **(32,223,000)**

This reduction is from operations and maintenance. The Board of Regents must make a good-faith effort to make the reductions required by this section in a manner that minimizes reductions related to providing direct services to students and that maximizes reductions for administrative services not providing direct services to students. The Board of Regents is requested to consider, if feasible, making voluntary for its lowest paid employees any furlough program designed to meet budget shortfalls.

For fiscal years 2012 and 2013, the base for operations and maintenance is \$578,370,000 each year.

Subd. 3. Special Appropriations

(a) **Agriculture and Extension Service** -0- (2,787,000)

(b) **Health Sciences** -0- (281,000)

\$18,000 in fiscal year 2011 is a reduction to the appropriation to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program.

Of the appropriation in Laws 2009, chapter 95, article 1, section 5, subdivision 5, paragraph (b), for Health Sciences, \$645,000 each year is for graduate family medicine education programs at Hennepin County Medical Center.

(c) **Institute of Technology** -0- (74,000)

(d) **System Special** -0- (328,000)

(e) **University of Minnesota and Mayo Foundation Partnership** -0- (427,000)

Sec. 6. Minnesota Statutes 2009 Supplement, section 136A.121, subdivision 9, is amended to read:

Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for ~~nine~~ eight semesters or the equivalent, excluding courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit. A student who withdraws from enrollment for active military service, or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester or the equivalent of grant eligibility. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

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

Sec. 7. Minnesota Statutes 2008, section 136A.1701, subdivision 4, is amended to read:

Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon such terms and conditions as the office may prescribe. ~~The~~ Under the SELF IV program, the principal amount of a loan to an undergraduate student for a single academic year shall not exceed \$6,000 for grade levels 1 and 2 effective July 1, 2006, through June 30, 2007. Effective July 1, 2007, the principal amount of a loan for grade levels 1 and 2 shall not exceed \$7,500. The principal amount of a loan for grade levels 3, 4, and 5 shall not exceed \$7,500 effective July 1, 2006 \$7,500 per grade level. The aggregate principal amount of all loans made ~~under this section~~ subject to this paragraph to an undergraduate student shall not exceed ~~\$34,500 through June 30, 2007, and \$37,500 after June 30, 2007.~~ The principal amount of a loan to a graduate student for a single academic year shall not exceed \$9,000. The aggregate principal amount of all loans made ~~under this section~~ subject to this paragraph to a student as an undergraduate and graduate student shall not exceed ~~\$52,500 through June 30, 2007, and \$55,500 after June 30, 2007.~~ The amount of the loan may not exceed the cost of attendance less all other financial aid, including PLUS loans or other similar parent loans borrowed on the student's behalf. The cumulative SELF loan debt must not exceed the borrowing maximums in paragraph (b).

(b) The cumulative undergraduate borrowing maximums for SELF IV loans are:

(1) ~~effective July 1, 2006, through June 30, 2007:~~

~~(i) grade level 1, \$6,000;~~

~~(ii) grade level 2, \$12,000;~~

~~(iii) grade level 3, \$19,500;~~

~~(iv) grade level 4, \$27,000; and~~

~~(v) grade level 5, \$34,500; and~~

(2) ~~effective July 1, 2007:~~

~~(i) grade level 1, \$7,500;~~

~~(ii) (2) grade level 2, \$15,000;~~

~~(iii) (3) grade level 3, \$22,500;~~

~~(iv) (4) grade level 4, \$30,000; and~~

~~(v) (5) grade level 5, \$37,500.~~

(c) The principal amount of a SELF V or subsequent phase loan to students enrolled in a bachelor's degree program, postbaccalaureate, or graduate program must not exceed \$10,000 per grade level. For all other eligible students, the principal amount of the loan must not exceed \$7,500 per grade level. The aggregate principal amount of all loans made subject to this paragraph to a student as an undergraduate and graduate student must not exceed \$70,000. The amount of the loan must not exceed the cost of attendance less all other financial aid, including PLUS loans or other similar parent loans borrowed on the student's behalf. The cumulative SELF loan debt must not exceed the borrowing maximums in paragraph (d).

(d)(1) The cumulative borrowing maximums for SELF V loans and subsequent phases for students enrolled in a bachelor's degree program or postbaccalaureate program are:

(i) grade level 1, \$10,000;

(ii) grade level 2, \$20,000;

(iii) grade level 3, \$30,000;

(iv) grade level 4, \$40,000; and

(v) grade level 5, \$50,000.

(2) For graduate level students, the borrowing limit is \$10,000 per nine-month academic year, with a cumulative maximum for all SELF debt of \$70,000.

(3) For all other eligible students, the cumulative borrowing maximums for SELF V loans and subsequent phases are:

(i) grade level 1, \$7,500;

(ii) grade level 2, \$15,000;

(iii) grade level 3, \$22,500;

(iv) grade level 4, \$30,000; and

(v) grade level 5, \$37,500.

Sec. 8. Minnesota Statutes 2008, section 136A.1701, subdivision 7, is amended to read:

Subd. 7. **Repayment of loans.** (a) The office shall establish repayment procedures for loans made under this section, but in no event shall the period of permitted repayment for SELF II or SELF III loans exceed ten years from the eligible student's termination of the student's postsecondary academic or vocational program, or 15 years from the date of the student's first loan under this section, whichever is less.

(b) For SELF IV loans ~~from phases after SELF III~~, eligible students with aggregate principal loan balances from all SELF phases that are less than \$18,750 shall have a repayment period not exceeding ten years from the eligible student's graduation or termination date. For SELF IV loans ~~from phases after SELF III~~, eligible students with aggregate principal loan balances from all SELF phases of \$18,750 or greater shall have a repayment period not exceeding 15 years from the eligible student's graduation or termination date. For SELF IV loans ~~from phases after SELF III~~, the loans shall enter repayment no later than seven years after the first disbursement date on the loan.

(c) For SELF loans from phases after SELF IV, eligible students with aggregate principal loan balances from all SELF phases that are:

(1) less than \$20,000, must have a repayment period not exceeding ten years from the eligible student's graduation or termination date;

(2) \$20,000 up to \$40,000, must have a repayment period not exceeding 15 years from the eligible student's graduation or termination date; and

(3) \$40,000 or greater, must have a repayment period not exceeding 20 years from the eligible student's graduation or termination date. For SELF loans from phases after SELF IV, the loans must enter repayment no later than nine years after the first disbursement date of the loan.

Sec. 9. Minnesota Statutes 2008, section 136A.29, subdivision 9, is amended to read:

Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$950,000,000~~ \$1,300,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

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

Sec. 10. Minnesota Statutes 2008, section 136A.69, subdivision 1, is amended to read:

Subdivision 1. **Registration fees.** (a) The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. The office shall charge \$1,100 for initial registration fees and \$950 for annual renewal fees. — the fees listed in paragraphs (b) and (c) for new registrations.

(b) A new school offering no more than one degree at each level during its first year must pay registration fees for each applicable level in the following amounts:

<u>associate degree</u>	<u>\$2,000</u>
<u>baccalaureate degree</u>	<u>\$2,500</u>
<u>master's degree</u>	<u>\$3,000</u>
<u>doctorate degree</u>	<u>\$3,500</u>

(c) A new school that will offer more than one degree per level during its first year must pay registration fees in an amount equal to the fee for the first degree at each degree level under paragraph (b), plus fees for each additional nondegree program or degree as follows:

<u>nondegree program</u>	<u>\$250</u>
<u>additional associate degree</u>	<u>\$250</u>
<u>additional baccalaureate degree</u>	<u>\$500</u>
<u>additional master's degree</u>	<u>\$750</u>
<u>additional doctorate degree</u>	<u>\$1,000</u>

(d) The annual renewal registration fee is \$1,200.

Sec. 11. Minnesota Statutes 2008, section 136A.69, subdivision 3, is amended to read:

Subd. 3. **Degree or nondegree program addition fee.** The office processing fee fees for adding a degree or nondegree program that represents a significant departure in the objectives, content, or method of delivery of degree or nondegree programs that are currently offered by the school is \$500 per degree or nondegree program. — are as follows:

<u>nondegree program that is part of existing degree</u>	<u>-0-</u>
<u>nondegree program that is not a part of an existing degree</u>	<u>\$250 each</u>
<u>majors, specializations, emphasis areas, concentrations,</u>	
<u>and other similar areas of emphasis</u>	<u>\$250 each</u>
<u>associate degrees</u>	<u>\$500 each</u>
<u>baccalaureate degrees</u>	<u>\$500 each</u>
<u>master's degrees</u>	<u>\$750 each</u>
<u>doctorate degrees</u>	<u>\$2,000 each</u>

Sec. 12. Minnesota Statutes 2008, section 136A.69, subdivision 4, is amended to read:

Subd. 4. **Visit or consulting fee.** If the office determines that a fact-finding visit or outside consultant is necessary to review or evaluate any new or revised degree or nondegree program, the office shall be reimbursed for the expenses incurred related to the review as follows:

(1) \$300 \$400 for the team base fee or for a paper review conducted by a consultant if the office determines that a fact-finding visit is not required;

- (2) \$300 for each day or part thereof on site per team member; and
- (3) the actual cost of customary meals, lodging, and related travel expenses incurred by team members.

Sec. 13. Minnesota Statutes 2009 Supplement, section 136F.98, subdivision 1, is amended to read:

Subdivision 1. **Issuance of bonds.** The Board of Trustees of the Minnesota State Colleges and Universities or a successor may issue revenue bonds under sections 136F.90 to 136F.97 whose aggregate principal amount at any time may not exceed ~~\$200,000,000~~ \$300,000,000, and payable from the revenue appropriated to the fund established by section 136F.94, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures or portions thereof to be used for dormitory, residence hall, student union, food service, parking purposes, or for any other similar revenue-producing building or buildings of such type and character as the board finds desirable for the good and benefit of the state colleges and universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee about the facilities to be financed by the bonds.

Sec. 14. Minnesota Statutes 2008, section 141.255, is amended to read:

141.255 FEES.

Subdivision 1. **Initial licensure fee.** The office processing fee for an initial licensure application is:

- (1) ~~\$1,500~~ \$2,500 for a school that will offer no more than one program during its first year of operation;
- (2) \$750 for a school licensed exclusively due to the use of the term "college," "university," "academy," or "institute" in its name, or licensed exclusively in order to participate in state grant or SELF loan financial aid programs; and
- (2) ~~\$2,000 for a school that will offer two or more nondegree level programs~~
- (3) \$2,500, plus \$500 for each additional program offered by the school, for a school during its first year of operation; and
- (3) ~~\$2,500 for a school that will offer two or more degree level programs during its first year of operation.~~

Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a renewal licensure application is:

- (1) ~~for a category A school, as determined by the office, the fee is \$865 if the school offers one program or \$1,150 if the school offers two or more programs; and~~
- (2) ~~for a category B or C school, as determined by the office, the fee is \$430 if the school offers one program or \$575 if the school offers two or more programs.~~
- (1) for a school that offers one program, the license renewal fee is \$1,150;
- (2) for a school that offers more than one program, the license renewal fee is \$1,150, plus \$200 for each additional program with a maximum renewal licensing fee of \$2,000;
- (3) for a school licensed exclusively due to the use of the term "college," "university," "academy," or "institute" in its name, the license renewal fee is \$750; and

(4) for a school licensed by another state agency and also licensed with the office exclusively in order to participate in state student aid programs, the license renewal fee is \$750.

(b) If a license renewal application is not received by the office by the close of business at least 60 days before the expiration of the current license, a late fee of \$100 per business day, not to exceed \$3,000, shall be assessed.

~~Subd. 3. **Degree level addition fee.** The office processing fee for adding a degree level to an existing program is \$2,000 per program.~~

Subd. 4. **Program addition fee.** The office processing fee for adding a program ~~that represents a significant departure in the objectives, content, or method of delivery of programs to those~~ that are currently offered by the school is \$500 per program.

Subd. 5. **Visit or consulting fee.** If the office determines that a fact-finding visit or outside consultant is necessary to review or evaluate any new or revised program, the office shall be reimbursed for the expenses incurred related to the review as follows:

(1) ~~\$300~~ \$400 for the team base fee or for a paper review conducted by a consultant if the office determines that a fact-finding visit is not required;

(2) \$300 for each day or part thereof on site per team member; and

(3) the actual cost of customary meals, lodging, and related travel expenses incurred by team members.

Subd. 6. **Modification fee.** The fee for modification of any existing program is \$100 and is due if there is:

(1) an increase or decrease of 25 percent or more, from the original date of program approval, in clock hours, credit hours, or calendar length of an existing program;

(2) a change in academic measurement from clock hours to credit hours or vice versa; or

(3) an addition or alteration of courses that represent a 25 percent change or more in the objectives, content, or methods of delivery.

Subd. 7. **Solicitor permit fee.** The solicitor permit fee is \$350 and must be paid annually.

Subd. 8. **Multiple location fee.** Schools wishing to operate at multiple locations must pay:

(1) \$250 per location, for locations two to five ~~locations~~; and

(2) an additional ~~\$50~~ \$100 for each location over five.

Subd. 9. **Student transcript fee.** The fee for a student transcript requested from a closed school whose records are held by the office is ~~\$10~~ \$15, with a maximum of five transcripts per request.

Subd. 10. **Public office documents; copies.** ~~The office shall establish rates~~ rate for copies of any public office document shall be 50 cents per page.

Sec. 15. Laws 2009, chapter 95, article 1, section 3, subdivision 6, is amended to read:

Subd. 6. Achieve Scholarship Program	4,350,000	4,350,000
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For scholarships under Minnesota Statutes, section 136A.127. The office shall transfer the appropriation for fiscal year 2011 to the appropriation for state grants.

For fiscal years 2012 and 2013, the base for the Achieve Scholarship Program is \$2,350,000 each year.

Sec. 16. Laws 2009, chapter 95, article 1, section 3, subdivision 12, is amended to read:

Subd. 12. Technical and Community College Emergency Grants	150,000	150,000
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For transfer to the financial aid offices at each of the colleges of the Minnesota State Colleges and Universities to provide emergency aid grants to technical and community college students who are experiencing extraordinary economic circumstances that may result in the students dropping out of school without completing the term or their program. This is a onetime appropriation.

Sec. 17. Laws 2009, chapter 95, article 1, section 3, subdivision 21, is amended to read:

Subd. 21. **Transfers**

The Minnesota Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work-study appropriation, the achieve scholarship appropriation, the public safety officers' survivors appropriation, the get ready program, and the Minnesota college savings plan appropriation. Transfers from the state grant, child care, or state work-study appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with prior written notice to the chairs of the senate and house of representatives committees with jurisdiction over higher education finance.

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

Sec. 18. Laws 2009, chapter 95, article 1, section 5, subdivision 2, is amended to read:

Subd. 2. Operations and Maintenance	550,345,000	604,239,000
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(a) This appropriation includes funding for operation and maintenance of the system.

(b) The Board of Regents shall submit expenditure reduction plans by March 15, 2010, to the committees of the legislature with responsibility for higher education finance to achieve the 2012-2013 base established in this section. The plan must focus on protecting direct instruction.

(c) Appropriations under this subdivision may be used for a new scholarship under Minnesota Statutes, section 137.0225, to complement the University's Founders scholarship.

(d) This appropriation includes amounts for an Ojibwe Indian language program on the Duluth campus.

(e) This appropriation includes money for the Dakota language teacher training immersion program on the Twin Cities campus to prepare teachers to teach in Dakota language immersion programs.

(f) This appropriation includes money for the Veterinary Diagnostic Laboratory to preserve accreditation.

(g) This appropriation includes money in fiscal year 2010 for a onetime grant to the Minnesota Wildlife Rehabilitation Center ~~for their uncompensated expenses~~ in an amount equal to the loan balance as of March 11, 2010, for expenses related to the center's move from the campus.

(h) For fiscal years 2012 and 2013, the base for operations and maintenance is \$596,930,000 each year.

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

Sec. 19. **OFFICE OF HIGHER EDUCATION CARRY FORWARD.**

Notwithstanding Minnesota Statutes, section 136A.233, subdivision 1, or 136A.125, subdivision 7, the Office of Higher Education may carry forward from fiscal year 2010 to fiscal year 2011 money allocated to an institution for the child care and work study programs that exceed the actual need and were refunded to the office. Notwithstanding Minnesota Statutes, section 136A.125, subdivision 4c, money carried forward for the child care program in fiscal year 2011 may be used to expand the number of recipients in the program.

Sec. 20. **ACHIEVE SCHOLARSHIP PROGRAM FISCAL YEAR 2011 MODIFICATIONS.**

(a) Notwithstanding Minnesota Statutes, section 136A.127, for achieve scholarship awards in fiscal year 2011, the achieve scholarship program shall be modified as provided in this section.

(b) Awards shall only be made to students who have an assigned family responsibility of zero.

(c) An award shall be for \$1,200 per academic year for all recipients unless reduced under this section.

(d) A first round of awards shall be made to students for which the Office of Higher Education has received a complete application by August 31, 2010. If there are insufficient appropriations to make full awards to each student, all awards under this paragraph shall be reduced by an equal amount sufficient to meet the insufficiency.

(e) If appropriations remain after the first round, awards shall be made on a first-come, first-served basis.

(f) Except as modified by this section, the remaining unmodified provisions of Minnesota Statutes, section 136A.127, shall govern achieve scholarship awards made in fiscal year 2011.

Sec. 21. **REPEALER.**

Minnesota Statutes 2008, sections 136A.1701, subdivision 5; 136A.69, subdivision 2; and 141.255, subdivision 3, are repealed.

ARTICLE 3

ENVIRONMENT AND NATURAL RESOURCES

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$(3,162,000)	\$(7,457,000)	\$(10,619,000)
<u>Environmental</u>	-0-	535,000	535,000
<u>Total</u>	<u>\$(3,162,000)</u>	<u>\$(6,922,000)</u>	<u>\$(10,084,000)</u>

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 37, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2010</u>	<u>2011</u>

Sec. 3. **POLLUTION CONTROL AGENCY**

<u>Subdivision 1. Total Appropriations</u>	(352,000)	(629,000)
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<u>Appropriations by Fund</u>		
	<u>2010</u>	<u>2011</u>

<u>General</u>	(352,000)	(1,164,000)
<u>Environmental</u>	-0-	535,000

The appropriation additions or reductions for each purpose are shown in the following subdivisions.

In order to leverage nonstate money or to address high priority needs identified by the commissioner, the commissioner may shift appropriations in Laws 2009, chapter 37, article 1, section 3, available in one fiscal year to the other fiscal year within each program. Any adjustments made under this paragraph do not affect the agency base for the programs affected.

Subd. 2. Water**(257,000)****(407,000)**Appropriations by FundGeneral (257,000) (942,000)Environmental -0- 535,000

The commissioner shall recover the cost of attorney general services related to environmental assessment worksheets from the project proposers.

\$485,000 in 2011 is a reduction in the appropriation for general water program operations.

\$9,000 in 2010 and \$21,000 in 2011 are reductions in the appropriations for community technical assistance and education.

\$485,000 in 2011 is appropriated from the environmental fund for attorney general costs in water program operations.

\$77,000 in 2010 and \$181,000 in 2011 are reductions in the appropriations for the clean water partnership program.

\$71,000 in 2010 and \$205,000 in 2011 are reductions in the appropriations for the county feedlot grant program.

\$100,000 in 2010 is a reduction in the appropriation for stormwater compliance grants.

\$50,000 in 2011 is a reduction in the appropriation for grants to the Red River Watershed Management Board for the river watch program.

\$50,000 in 2011 is appropriated from the environmental fund for grants to the Red River Watershed Management Board for the river watch program.

Subd. 3. Environmental Assistance and Cross-Media**(47,000)****(109,000)****Subd. 4. Administrative Support****(48,000)****(113,000)****Subd. 6. Transfers In**

(a) The amounts appropriated from the agency indirect costs account in the special revenue fund are reduced by \$328,000 in fiscal year 2010 and \$462,000 in fiscal year 2011, and those amounts must be transferred to the general fund by June 30, 2011. The appropriation reductions are onetime.

(b) The commissioner of management and budget shall transfer \$8,000,000 in fiscal year 2011 from the closed landfill investment fund in Minnesota Statutes, section 115B.421, to the general fund. The commissioner shall transfer \$4,000,000 on July 1, 2013, and \$4,000,000 on July 1, 2014, from the general fund to the closed landfill investment fund. For the July 1, 2014, transfer to the closed landfill investment fund, the commissioner shall determine the total amount of interest and other earnings that would have accrued to the fund if the transfers to the general fund under this paragraph had not been made and add this amount to the transfer. The amounts necessary for these transfers are appropriated from the general fund in the fiscal years specified for the transfers.

Sec. 4. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**

(2,008,000)

(4,439,000)

The appropriation additions or reductions for each purpose are shown in the following subdivisions.

In order to leverage nonstate money, or to address high priority needs identified by the commissioner, the commissioner may shift appropriations in Laws 2009, chapter 37, article 1, section 4, available in one fiscal year to the other fiscal year within each program. Any adjustments made under this paragraph do not affect the agency base for the programs affected.

Subd. 2. **Lands and Minerals**

(168,000)

(388,000)

\$101,000 in 2010 and \$237,000 in 2011 are reductions in the appropriations for land and mineral resources management operations.

\$61,000 in 2010 and \$91,000 in 2011 are reductions in the appropriations for the iron ore cooperative research program.

\$6,000 in 2010 and \$6,000 in 2011 are reductions in the appropriations for minerals cooperative research.

\$54,000 in 2011 is a reduction in the appropriations for issuing mining permits in Laws 2009, chapter 88, article 12, section 22.

Subd. 3. **Water Resource Management**

(422,000)

(644,000)

\$268,000 in 2010 and \$626,000 in 2011 are reductions in the appropriations for water resource management operations.

\$7,000 in 2011 is a reduction in the appropriation for grants to the Mississippi Headwaters Board.

\$154,000 in 2010 and \$11,000 in 2011 are reductions in the appropriation for the Red River flood damage reduction grants.

Subd. 4. Forest Management(670,000)(1,404,000)

\$587,000 in 2010 and \$1,295,000 in 2011 are reductions in the appropriations for forest management. Of this amount, \$88,000 in 2010 and \$132,000 in 2011 are onetime.

\$72,000 in 2010 and \$72,000 in 2011 are reductions in the appropriations for prevention costs of emergency firefighting.

\$11,000 in 2010 and \$17,000 in 2011 are reductions in the appropriations for the FORIST system.

\$20,000 in 2011 is a reduction in the appropriation for grants to the Forest Resources Council.

Subd. 5. Parks and Trails Management(420,000)(980,000)

\$420,000 in 2010 and \$980,000 in 2011 are reductions in the appropriations for parks and trails management.

Subd. 6. Fish and Wildlife Management-0-(225,000)

\$225,000 in 2011 is a reduction in the appropriation for wildlife health programs.

Subd. 7. Ecological Services(131,000)(307,000)

\$103,000 in 2010 and \$241,000 in 2011 are reductions in the appropriations for ecological services operations.

\$28,000 in 2010 and \$66,000 in 2011 are reductions in the appropriations for the prevention of the spread of invasive species.

Subd. 8. Enforcement(135,000)(345,000)

The commissioner shall reduce overtime before laying off enforcement staff.

Subd. 9. Operations Support(62,000)(146,000)**Subd. 10. Transfers In**

(a) By June 30, 2010, the commissioner of management and budget shall transfer any remaining balance, estimated to be \$98,000, from the stream protection and improvement fund under Minnesota Statutes, section 103G.705, to the general fund. Beginning in fiscal year 2011, all repayment of loans made and administrative fees assessed under Minnesota Statutes, section 103G.705, estimated to be \$195,000 in 2011, must be transferred to the general fund.

(b) The balance of surcharges on criminal and traffic offenders, estimated to be \$900,000, and credited to the game and fish fund under Minnesota Statutes, section 357.021, subdivision 7, and collected before June 30, 2010, must be transferred to the general fund.

(c) The appropriation in Laws 2007, First Special Session chapter 2, article 1, section 5, for cost-share flood programs in southeastern Minnesota is reduced by \$335,000 and that amount is canceled to the general fund.

(d) Before June 30, 2011, the commissioner of management and budget shall transfer \$1,000,000 from the fleet management account in the special revenue fund established under Minnesota Statutes, section 84.0856, to the general fund.

Sec. 5. **BOARD OF WATER AND SOIL RESOURCES**

Subdivision 1. **Total Appropriation**

\$(591,000)

\$(1,363,000)

The appropriation additions or reductions for each purpose are specified in the following subdivisions.

Notwithstanding Minnesota Statutes, sections 103B.3369 and 103C.501, in order to leverage nonstate money or to address high-priority needs identified by board resolution, the board may shift appropriations in Laws 2009, chapter 37, article 1, section 5, available in one fiscal year to the other fiscal year within a program. Any appropriations for grants in Laws 2009, chapter 37, article 1, section 5, that are carried forward from fiscal year 2010 to fiscal year 2011 are available for natural resources block grants to local governments and general purpose grants to soil and water conservation districts. Any adjustments made under this paragraph do not affect the agency base for the programs affected.

Subd. 2. **Appropriation Reductions**

\$71,000 in 2010 and \$167,000 in 2011 are reductions in the appropriations for administration.

\$20,000 in 2010 and \$46,000 in 2011 are reductions in the appropriation for Wetland Conservation Act oversight.

\$160,000 in 2010 and \$374,000 in 2011 are reductions in the appropriations for natural resources block grants to local governments.

\$135,000 in 2010 and \$315,000 in 2011 are reductions in the appropriations for general purpose grants to soil and water conservation districts.

\$38,000 in 2010 and \$90,000 in 2011 are reductions in the appropriations for cost-share grants to soil and water conservation districts.

\$137,000 in 2010 and \$187,000 in 2011 are reductions in cost-share grants to establish and maintain riparian vegetative buffers.

\$19,000 in 2010 and \$45,000 in 2011 are reductions in the appropriations for feedlot water quality grants.

\$11,000 in 2010 and \$17,000 in 2011 are reductions in the appropriation for assistance to local drainage officials.

\$100,000 in 2011 is a reduction in the appropriation for cost-share grants for drainage records modernization.

\$6,000 in 2011 is a reduction in the appropriation for the grant to the Red River Basin Commission.

\$6,000 in 2011 is a reduction in the appropriation for the grant to the Minnesota River Basin Joint Powers Board.

\$10,000 in 2011 is a reduction in the appropriation for a grant to Area II, Minnesota River Basin Projects for flood plain management.

Subd. 3. Carryforward Cancellations

(a) Clean Water Legacy

The appropriation in Laws 2007, chapter 57, article 1, section 5, for clean water legacy programs and grants is reduced by \$775,000 and that amount is canceled to the general fund.

(b) Cost-Share Vegetations Buffer Grants

The appropriation in Laws 2007, chapter 57, article 1, section 5, for grants for establishing and maintaining vegetation buffers is reduced by \$100,000 and that amount is canceled to the general fund.

(c) Cost-Share Grants

The appropriation in Laws 2007, chapter 57, article 1, section 5, for grants for cost-sharing contract for erosion control and water quality management is reduced by \$250,000 and that amount is canceled to the general fund.

(d) SE Flood Transfer Funds

The appropriation in Laws 2007, First Special Session chapter 2, article 1, section 8, transferred to the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 6, subdivision 3, for cost-share flood programs is reduced by \$628,000 and that amount is canceled to the general fund.

(e) Cost-Share South East Flood

The appropriation in Laws 2008, chapter 363, article 5, section 5, for cost-share flood work is reduced by \$50,000 and that amount is canceled to the general fund.

Subd. 4. Returned Grants

Beginning July 1, 2010, all returned grant money originating from general fund grant programs will be deposited into individual accounts in the special revenue fund and held for eventual transfer back to the general fund. On December 15, 2010, and on December 15 of each year thereafter, \$310,000 of the receipts in this special revenue fund will be transferred to the general fund. If less than \$310,000 is available on the transfer date, an additional transfer on June 15 sufficient to make the \$310,000 annual obligation will be made.

Sec. 6. **METROPOLITAN COUNCIL** **\$(86,000)** **\$(154,000)**

\$86,000 in 2010 and \$154,000 in 2011 are reductions in the appropriations for metropolitan parks and trails.

The commissioner of management and budget, in consultation with the council, may shift these reductions from the first fiscal year to the second fiscal year if sufficient funds are not available for reduction in the first fiscal year. Any adjustments made under this paragraph do not affect the appropriation base.

Sec. 7. **ZOOLOGICAL BOARD** **\$(125,000)** **\$(337,000)**

Sec. 8. **REPEALER.**

Minnesota Statutes 2008, section 103G.705, subdivision 2, is repealed.

ARTICLE 4

ENERGY

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts in this section summarize direct appropriations, or reductions in appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	<u>\$110,000</u>	<u>\$(322,000)</u>	<u>\$(212,000)</u>
<u>Petroleum Tank Cleanup</u>	<u>(25,000)</u>	<u>(32,000)</u>	<u>(57,000)</u>
<u>Total</u>	<u>\$85,000</u>	<u>\$(354,000)</u>	<u>\$(269,000)</u>

Sec. 2. **APPROPRIATIONS.**

The dollar amounts in the columns under "Appropriations" are added to or, if shown in parentheses, subtracted from appropriations enacted in Laws 2009, chapter 37, article 2, unless otherwise stated. The appropriations and reductions in appropriations are from the general fund, or another named fund, and are for the fiscal years indicated for each purpose. The figures "2010" and "2011" mean that the appropriations or reductions in appropriations listed under them are for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. The "first year" is fiscal year 2010. The "second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. Appropriations, reductions in appropriations, cancellations of appropriations, and transfers of appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>
Sec. 3. <u>DEPARTMENT OF COMMERCE</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$85,000</u>	<u>\$(354,000)</u>
<u>Appropriations by Fund</u>		
	<u>2010</u>	<u>2011</u>
General	110,000	(322,000)
Petroleum Tank Release Cleanup	(25,000)	(32,000)
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <u>Administrative Services</u>	(66,000)	(126,000)
Subd. 3. <u>Market Assurance</u>	(124,000)	(196,000)
Subd. 4. <u>Nationwide Mortgage Licensing System and Registry Access</u>	400,000	-0-
Subd. 5. <u>Petroleum Tank Release Cleanup Board</u>	(25,000)	(32,000)
<u>These reductions are from the petroleum tank release cleanup fund.</u>		
Sec. 4. <u>DEPARTMENT OF COMMERCE-OFFICE OF ENERGY SECURITY</u>	<u>\$(100,000)</u>	<u>\$-0-</u>

The appropriation additions or reductions for each purpose are shown in the following paragraph.

\$100,000 the first year is a reduction in the appropriation for E85 cost-share grants.

Sec. 5. **CANCELLATIONS; DEPARTMENT OF COMMERCE**

Subdivision 1. **E-85 Grants**

The appropriation in Laws 2007, chapter 57, article 2, section 3, subdivision 6, as amended by Laws 2008, chapter 363, article 6, section 3, subdivision 4, for E-85 cost-share grants, is reduced by \$350,000 and is canceled to the general fund.

Subd. 2. **Renewable Hydrogen Initiative Grants**

The remaining balance of the appropriation in Laws 2007, chapter 57, article 2, section 3, subdivision 6, as amended by Laws 2008, chapter 363, article 6, section 3, subdivision 4, for renewable hydrogen initiative grants, estimated to be \$650,000, is canceled to the general fund.

Subd. 3. **Transfers In**

Before June 30, 2010, the commissioner of management and budget shall transfer \$1,969,000 to the general fund. After July 1, 2010, and before June 30, 2011, the commissioner of management and budget shall transfer \$1,032,000 to the general fund. These transfers are from the petroleum tank release cleanup fund established in Minnesota Statutes, section 115C.08.

Sec. 6. **TRANSFERS IN**

(a) For the purposes of this section, "commissioner" means the commissioner of management and budget.

(b) In the first year, the commissioner shall transfer \$3,024,000 from the special revenue fund to the general fund. In the second year, the commissioner shall transfer \$1,993,000 from the special revenue fund to the general fund. The transfers must be from the following appropriation reductions and accounts within the special revenue fund:

(1) \$246,000 the first year and \$270,000 the second year are from the telecommunications access Minnesota fund established in Minnesota Statutes, section 237.52;

(2) \$238,000 the first year is from the assessments collected under Minnesota Statutes, section 216C.052, for the reliability administrator;

(3) \$200,000 the first year and \$200,000 the second year are from the Department of Commerce license technology surcharge account established in Minnesota Statutes, section 45.24;

(4) \$381,000 the first year and \$260,000 the second year are from the energy and conservation account established in Minnesota Statutes, section 216B.241. Of this amount, (i) \$43,000 the first year and \$17,000 the second year are from the assessments for technical assistance in Minnesota Statutes, section 216B.241, subdivision 1d; (ii) \$316,000 the first year and \$213,000 the second year are from the assessments for applied research and development grants in Minnesota Statutes, section 216B.241, subdivision 1e; and (iii) \$22,000 the first year and \$30,000 the second year are from the assessment for facilities energy efficiency in Minnesota Statutes, section 216B.241, subdivision 1f;

(5) \$64,000 the first year and \$48,000 the second year are from the insurance fraud prevention account established in Minnesota Statutes, section 45.0135;

(6) \$1,133,000 the first year and \$1,111,000 the second year are from the automobile theft prevention account established in Minnesota Statutes, section 168A.40;

(7) \$549,000 the first year and \$5,000 the second year are from the real estate education, research and recovery fund established in Minnesota Statutes, section 82.43;

(8) \$100,000 the first year is from the consumer education account established in Minnesota Statutes, section 58.10;

(9) \$11,000 the first year and \$15,000 the second year are from the fees and assessments collected under Minnesota Statutes, section 216E.18;

(10) the remaining balance in the first year, estimated to be \$19,000, is from the routing of certain pipelines under Minnesota Statutes, section 216G.02;

(11) \$4,000 the first year and \$9,000 the second year are from the joint exercise of powers agreements with the Department of Health for regulating health maintenance organizations;

(12) \$75,000 the first year and \$75,000 the second year are from the liquefied petroleum gas account established in Minnesota Statutes, section 239.785;

(13) \$4,000 in the first year is from the petroleum inspection fee established in Minnesota Statutes, section 239.101, for renewable energy equipment grants.

Sec. 7. **TRANSFER; ASSIGNED RISK PLAN**

By June 30, 2010, the commissioner of management and budget shall transfer \$14,000,000 in assets of the workers' compensation assigned risk plan created under Minnesota Statutes, section 79.252, to the general fund.

Sec. 8. Minnesota Statutes 2009 Supplement, section 45.30, subdivision 6, is amended to read:

Subd. 6. **Course approval.** (a) Courses must be approved by the commissioner in advance. A course that is required by federal criteria or a reciprocity agreement to receive a substantive review will be approved or disapproved on the basis of its compliance with the provisions of laws and rules relating to the appropriate industry. At the commissioner's discretion, a course that is not required by federal criteria or a reciprocity agreement to receive a substantive review may be approved based on a qualified provider's certification on a form specified by the commissioner that the course complies with the provisions of this chapter and the laws and rules relating to the appropriate industry. For the purposes of this section, a "qualified provider" is one of the following: (1) a degree-granting institution of higher learning located within this state; (2) a private school licensed by the Minnesota Office of Higher Education; or (3) when conducting courses for its members, a bona fide trade association that staffs and maintains in this state a physical location that contains course and student records and that has done so for not less than three years. The commissioner may review any approved course and may cancel its approval with regard to all future offerings. The commissioner must make the final determination as to accreditation and assignment of credit hours for courses. Courses must be at least one hour in length, except courses for real estate appraisers must be at least two hours in length.

~~Individuals wishing to receive credit for continuing education courses that have not been previously approved may submit the course information for approval. Courses must be in compliance with the laws and rules governing the types of courses that will and will not be approved.~~

Approval will not include time spent on meals or other unrelated activities.

(b) Courses must be submitted at least 30 days before the initial proposed course offering.

(c) Approval must be granted for a subsequent offering of identical continuing education courses without requiring a new application. The commissioner must deny future offerings of courses if they are found not to be in compliance with the laws relating to course approval.

(d) When either the content of an approved course or its method of instruction changes, the course is no longer approved for license education credit. A new application must be submitted for the changed course if the education provider intends to offer it for license education credit.

Sec. 9. Minnesota Statutes 2008, section 80A.46, is amended to read:

80A.46 SECTION 202; EXEMPT TRANSACTIONS.

The following transactions are exempt from the requirements of sections 80A.49 through 80A.54, except 80A.50, paragraph (a), clause (3), and 80A.71:

(1) isolated nonissuer transactions, consisting of sale to not more than ten purchasers in Minnesota during any period of 12 consecutive months, whether effected by or through a broker-dealer or not;

(2) a nonissuer transaction by or through a broker-dealer registered, or exempt from registration under this chapter, and a resale transaction by a sponsor of a unit investment trust registered under the Investment Company Act of 1940, in a security of a class that has been outstanding in the hands of the public for at least 90 days, if, at the date of the transaction:

(A) the issuer of the security is engaged in business, the issuer is not in the organizational stage or in bankruptcy or receivership, and the issuer is not a blank check, blind pool, or shell company that has no specific business plan or purpose or has indicated that its primary business plan is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person;

(B) the security is sold at a price reasonably related to its current market price;

(C) the security does not constitute the whole or part of an unsold allotment to, or a subscription or participation by, the broker-dealer as an underwriter of the security or a redistribution;

(D) a nationally recognized securities manual or its electronic equivalent designated by rule adopted or order issued under this chapter or a record filed with the Securities and Exchange Commission that is publicly available contains:

(i) a description of the business and operations of the issuer;

(ii) the names of the issuer's executive officers and the names of the issuer's directors, if any;

(iii) an audited balance sheet of the issuer as of a date within 18 months before the date of the transaction or, in the case of a reorganization or merger when the parties to the reorganization or merger each had an audited balance sheet, a pro forma balance sheet for the combined organization; and

(iv) an audited income statement for each of the issuer's two immediately previous fiscal years or for the period of existence of the issuer, whichever is shorter, or, in the case of a reorganization or merger when each party to the reorganization or merger had audited income statements, a pro forma income statement; and

(E) any one of the following requirements is met:

(i) the issuer of the security has a class of equity securities listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934 or designated for trading on the National Association of Securities Dealers Automated Quotation System;

(ii) the issuer of the security is a unit investment trust registered under the Investment Company Act of 1940;

(iii) the issuer of the security, including its predecessors, has been engaged in continuous business for at least three years; or

(iv) the issuer of the security has total assets of at least \$2,000,000 based on an audited balance sheet as of a date within 18 months before the date of the transaction or, in the case of a reorganization or merger when the parties to the reorganization or merger each had such an audited balance sheet, a pro forma balance sheet for the combined organization;

(3) a nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter in a security of a foreign issuer that is a margin security defined in regulations or rules adopted by the Board of Governors of the Federal Reserve System;

(4) a nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter in an outstanding security if the guarantor of the security files reports with the Securities and Exchange Commission under the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. Sections 78m or 78o(d));

(5) a nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter in a security that:

(A) is rated at the time of the transaction by a nationally recognized statistical rating organization in one of its four highest rating categories; or

(B) has a fixed maturity or a fixed interest or dividend, if:

(i) a default has not occurred during the current fiscal year or within the three previous fiscal years or during the existence of the issuer and any predecessor if less than three fiscal years, in the payment of principal, interest, or dividends on the security; and

(ii) the issuer is engaged in business, is not in the organizational stage or in bankruptcy or receivership, and is not and has not been within the previous 12 months a blank check, blind pool, or shell company that has no specific business plan or purpose or has indicated that its primary business plan is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person;

(6) a nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter effecting an unsolicited order or offer to purchase;

(7) a nonissuer transaction executed by a bona fide pledgee without the purpose of evading this chapter;

(8) a nonissuer transaction by a federal covered investment adviser with investments under management in excess of \$100,000,000 acting in the exercise of discretionary authority in a signed record for the account of others;

(9) a transaction in a security, whether or not the security or transaction is otherwise exempt, in exchange for one or more bona fide outstanding securities, claims, or property interests, or partly in such exchange and partly for cash, if the terms and conditions of the issuance and exchange or the delivery and exchange and the fairness of the terms and conditions have been approved by the administrator after a hearing;

(10) a transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters;

(11) a transaction in a note, bond, debenture, or other evidence of indebtedness secured by a mortgage or other security agreement if:

(A) the note, bond, debenture, or other evidence of indebtedness is offered and sold with the mortgage or other security agreement as a unit;

(B) a general solicitation or general advertisement of the transaction is not made; and

(C) a commission or other remuneration is not paid or given, directly or indirectly, to a person not registered under this chapter as a broker-dealer or as an agent;

(12) a transaction by an executor, administrator of an estate, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator;

(13) a sale or offer to sell to:

(A) an institutional investor;

(B) an accredited investor;

(C) a federal covered investment adviser; or

(D) any other person exempted by rule adopted or order issued under this chapter;

(14) a sale or an offer to sell securities by an issuer, if the transaction is part of a single issue in which:

(A) not more than 35 purchasers are present in this state during any 12 consecutive months, other than those designated in paragraph (13);

(B) a general solicitation or general advertising is not made in connection with the offer to sell or sale of the securities;

(C) a commission or other remuneration is not paid or given, directly or indirectly, to a person other than a broker-dealer registered under this chapter or an agent registered under this chapter for soliciting a prospective purchaser in this state; and

(D) the issuer reasonably believes that all the purchasers in this state, other than those designated in paragraph (13), are purchasing for investment.

Any issuer selling to purchasers in this state in reliance on this clause (14) exemption must provide to the administrator notice of the transaction by filing a statement of issuer form as adopted by rule. Notice must be filed at least ten days in advance of any sale or such shorter period as permitted by the administrator. However, an issuer who makes sales to ten or fewer purchasers in Minnesota during any period of 12 consecutive months is not required to provide this notice;

(15) a transaction under an offer to existing security holders of the issuer, including persons that at the date of the transaction are holders of convertible securities, options, or warrants, if a commission or other remuneration, other than a standby commission, is not paid or given, directly or indirectly, for soliciting a security holder in this state. The person making the offer and effecting the transaction must provide to the administrator notice of the transaction by filing a written description of the transaction. Notice must be filed at least ten days in advance of any transaction or such shorter period as permitted by the administrator;

(16) an offer to sell, but not a sale, of a security not exempt from registration under the Securities Act of 1933 if:

(A) a registration or offering statement or similar record as required under the Securities Act of 1933 has been filed, but is not effective, or the offer is made in compliance with Rule 165 adopted under the Securities Act of 1933 (17 C.F.R. 230.165); and

(B) a stop order of which the offeror is aware has not been issued against the offeror by the administrator or the Securities and Exchange Commission, and an audit, inspection, or proceeding that is public and that may culminate in a stop order is not known by the offeror to be pending;

(17) an offer to sell, but not a sale, of a security exempt from registration under the Securities Act of 1933 if:

(A) a registration statement has been filed under this chapter, but is not effective;

(B) a solicitation of interest is provided in a record to offerees in compliance with a rule adopted by the administrator under this chapter; and

(C) a stop order of which the offeror is aware has not been issued by the administrator under this chapter and an audit, inspection, or proceeding that may culminate in a stop order is not known by the offeror to be pending;

(18) a transaction involving the distribution of the securities of an issuer to the security holders of another person in connection with a merger, consolidation, exchange of securities, sale of assets, or other reorganization to which the issuer, or its parent or subsidiary and the other person, or its parent or subsidiary, are parties. The person

distributing the issuer's securities must provide to the administrator notice of the transaction by filing a written description of the transaction along with a consent to service of process complying with section 80A.88. Notice must be filed at least ten days in advance of any transaction or such shorter period as permitted by the administrator;

(19) a rescission offer, sale, or purchase under section 80A.77;

(20) an offer or sale of a security to a person not a resident of this state and not present in this state if the offer or sale does not constitute a violation of the laws of the state or foreign jurisdiction in which the offeree or purchaser is present and is not part of an unlawful plan or scheme to evade this chapter;

(21) employees' stock purchase, savings, option, profit-sharing, pension, or similar employees' benefit plan, including any securities, plan interests, and guarantees issued under a compensatory benefit plan or compensation contract, contained in a record, established by the issuer, its parents, its majority-owned subsidiaries, or the majority-owned subsidiaries of the issuer's parent for the participation of their employees including offers or sales of such securities to:

(A) directors; general partners; trustees, if the issuer is a business trust; officers; consultants; and advisors;

(B) family members who acquire such securities from those persons through gifts or domestic relations orders;

(C) former employees, directors, general partners, trustees, officers, consultants, and advisors if those individuals were employed by or providing services to the issuer when the securities were offered; and

(D) insurance agents who are exclusive insurance agents of the issuer, or the issuer's subsidiaries or parents, or who derive more than 50 percent of their annual income from those organizations.

A person establishing an employee benefit plan under the exemption in this clause (21) must provide to the administrator notice of the transaction by filing a written description of the transaction along with a consent to service of process complying with section 80A.88. Notice must be filed at least ten days in advance of any transaction or such shorter period as permitted by the administrator;

(22) a transaction involving:

(A) a stock dividend or equivalent equity distribution, whether the corporation or other business organization distributing the dividend or equivalent equity distribution is the issuer or not, if nothing of value is given by stockholders or other equity holders for the dividend or equivalent equity distribution other than the surrender of a right to a cash or property dividend if each stockholder or other equity holder may elect to take the dividend or equivalent equity distribution in cash, property, or stock;

(B) an act incident to a judicially approved reorganization in which a security is issued in exchange for one or more outstanding securities, claims, or property interests, or partly in such exchange and partly for cash; or

(C) the solicitation of tenders of securities by an offeror in a tender offer in compliance with Rule 162 adopted under the Securities Act of 1933 (17 C.F.R. 230.162);

(23) a nonissuer transaction in an outstanding security by or through a broker-dealer registered or exempt from registration under this chapter, if the issuer is a reporting issuer in a foreign jurisdiction designated by this paragraph or by rule adopted or order issued under this chapter; has been subject to continuous reporting requirements in the foreign jurisdiction for not less than 180 days before the transaction; and the security is listed on the foreign jurisdiction's securities exchange that has been designated by this paragraph or by rule adopted or order issued under this chapter, or is a security of the same issuer that is of senior or substantially equal rank to the listed security or is a

warrant or right to purchase or subscribe to any of the foregoing. For purposes of this paragraph, Canada, together with its provinces and territories, is a designated foreign jurisdiction and The Toronto Stock Exchange, Inc., is a designated securities exchange. After an administrative hearing in compliance with chapter 14, the administrator, by rule adopted or order issued under this chapter, may revoke the designation of a securities exchange under this paragraph, if the administrator finds that revocation is necessary or appropriate in the public interest and for the protection of investors;

(24) any transaction effected by or through a Canadian broker-dealer exempted from broker-dealer registration pursuant to section 80A.56(b)(3); or

(25)(A) the offer and sale by a cooperative organized under chapter 308A, or under the laws of another state, of its securities when the securities are offered and sold only to its members, or when the purchase of the securities is necessary or incidental to establishing membership in the cooperative, or when the securities are issued as patronage dividends. This paragraph applies to a cooperative organized under chapter 308A, or under the laws of another state, only if the cooperative has filed with the administrator a consent to service of process under section 80A.88 and has, not less than ten days before the issuance or delivery, furnished the administrator with a written general description of the transaction and any other information that the administrator requires by rule or otherwise;

(B) the offer and sale by a cooperative organized under chapter 308B of its securities when the securities are offered and sold to its existing members or when the purchase of the securities is necessary or incidental to establishing patron membership in the cooperative, or when such securities are issued as patronage dividends. The administrator has the power to define "patron membership" for purposes of this paragraph. This paragraph applies to securities, other than securities issued as patronage dividends, only when:

(i) the issuer, before the completion of the sale of the securities, provides each offeree or purchaser disclosure materials that, to the extent material to an understanding of the issuer, its business, and the securities being offered, substantially meet the disclosure conditions and limitations found in rule 502(b) of Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, section 230.502; and

(ii) within 15 days after the completion of the first sale in each offering completed in reliance upon this exemption, the cooperative has filed with the administrator a consent to service of process under section 80A.88 (or has previously filed such a consent), and has furnished the administrator with a written general description of the transaction and any other information that the administrator requires by rule or otherwise; and

(C) a cooperative may, at or about the same time as offers or sales are being completed in reliance upon the exemptions from registration found in this subpart and as part of a common plan of financing, offer or sell its securities in reliance upon any other exemption from registration available under this chapter. The offer or sale of securities in reliance upon the exemptions found in this subpart will not be considered or deemed a part of or be integrated with any offer or sale of securities conducted by the cooperative in reliance upon any other exemption from registration available under this chapter, nor will offers or sales of securities by the cooperative in reliance upon any other exemption from registration available under this chapter be considered or deemed a part of or be integrated with any offer or sale conducted by the cooperative in reliance upon this paragraph.

Sec. 10. ASSESSMENT.

(a) The commissioner of commerce may levy a pro rata assessment on institutions licensed under Minnesota Statutes, chapter 58, to recover the costs to the Department of Commerce for administering the licensing and registration requirements of Minnesota Statutes, section 58A.10, if enacted in the 2010 legislative session.

(b) The commissioner shall levy the assessments and notify each institution of the amount of the assessment being levied by September 30, 2010. The institution shall pay the assessment to the department no later than November 30, 2010. If an institution fails to pay its assessment by this date, its license may be suspended by the commissioner until it is paid in full.

(c) This section expires December 1, 2010.

ARTICLE 5

AGRICULTURE

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
General	\$(2,780,000)	\$(3,374,000)	\$(6,154,000)

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 94, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2010</u>	<u>2011</u>

Sec. 3. **AGRICULTURE**Subdivision 1. **Total Appropriation**

<u>\$(2,593,000)</u>	<u>\$(3,133,000)</u>
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The appropriation additions or reductions for each purpose are shown in the following subdivisions.

Subd. 2. **Protection Services**

<u>(130,000)</u>	<u>(586,000)</u>
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\$60,000 in 2010 and \$200,000 in 2011 are reductions in the appropriations for dairy and food inspection.

\$25,000 in 2010 and \$50,000 in 2011 are reductions in the appropriations for the food inspection laboratory.

Subd. 3. **Agricultural Marketing and Development**

<u>(124,000)</u>	<u>(8,000)</u>
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\$3,000 in 2010 is a reduction for grants to farmers for demonstration projects involving sustainable agriculture, as authorized in Minnesota Statutes, section 17.116.

Subd. 4. **Bioenergy and Value-Added Agriculture**

<u>(2,220,000)</u>	<u>(2,220,000)</u>
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\$2,220,000 in 2010 and \$2,220,000 in 2011 are reductions in appropriations for ethanol producer payments under Minnesota Statutes, section 41A.09. These reductions are onetime.

Subd. 5. Administration and Financial Assistance(119,000)(319,000)

\$20,000 in 2010 and \$52,000 in 2011 are reductions from the appropriation for the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2.

\$1,000 in 2011 is a reduction from the appropriation for a grant to the Minnesota Livestock Breeders Association.

\$15,000 in 2011 is a reduction from the appropriation for a grant to the Minnesota Agricultural Education and Leadership Council.

\$3,000 in 2011 is a reduction from the appropriation for the Northern Crops Institute.

\$4,000 in 2010 and \$4,000 in 2011 are reductions from the appropriation for grants to the Minnesota Turf Seed Council for basic and applied research on the improved production of forage and turf seed related to new and improved varieties.

\$3,000 in 2010 and \$3,000 in 2011 are reductions from the appropriation for grants to the Minnesota Turf Seed Council for basic and applied agronomic research on native plants including plant breeding, nutrient management, pest management, disease management yield, and viability.

\$60,000 in 2010 is a reduction from the appropriation for the agricultural growth, research, and innovation program.

\$6,000 in 2011 is a reduction from the appropriation for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

\$1,000 in 2011 is a reduction from the appropriation for a grant to the Minnesota Horticultural Society.

\$4,000 in 2010 is a reduction from the appropriation for transfer to the University of Minnesota Extension Service for farm-to-school grants to school districts in Minneapolis, Moorhead, White Earth, and Willmar.

\$28,000 in 2010 and \$234,000 in 2011 and \$684,000 in 2012 and \$684,000 in 2013 are reductions due to efficiencies and other cost savings realized by various methods including, but not limited to, renegotiating leases and other contracts and resource reorganization or consolidation within the department or in conjunction with other public entities. The commissioner may allocate these reductions to programs.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriation encumbered on or before June 30, 2009, as grants for NextGen bioenergy projects in Laws 2007, chapter 45, article 1, section 3, subdivision 4, is available until June 30, 2011.

Subd. 6. Transfers In

Notwithstanding any other law to the contrary, the commissioner of management and budget shall transfer \$1,046,000 from the agriculture chemical response and reimbursement account in the agricultural fund to the general fund by June 15, 2011. By June 15, 2013, the commissioner of management and budget shall transfer \$2,092,000 from the agricultural fund to the general fund.

Sec. 4. <u>BOARD OF ANIMAL HEALTH</u>	<u>\$(87,000)</u>	<u>\$(141,000)</u>
Sec. 5. <u>AGRICULTURAL UTILIZATION RESEARCH INSTITUTE</u>	<u>\$(100,000)</u>	<u>\$(100,000)</u>

ARTICLE 6

VETERANS AFFAIRS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
General	<u>\$-0-</u>	<u>\$200,000</u>	<u>\$200,000</u>

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to, or if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 94, article 3, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>
Sec. 3. <u>VETERANS AFFAIRS</u>	<u>\$-0-</u>	<u>\$200,000</u>

\$100,000 in fiscal year 2011 is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in

danger of homelessness, including housing, utility, employment, and legal assistance, according to guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance will be coordinated with all other available programs for veterans. This is a onetime appropriation.

\$100,000 in the second year is for compensation for honor guards at the funerals of veterans in accordance with the program established in Minnesota Statutes, section 197.231. This is a onetime appropriation.

\$200,000 in fiscal year 2010 and \$200,000 in fiscal year 2011 are from the Support our Troops account established in Minnesota Statutes, section 190.19, for an increase in the CORE grant program.

Sec. 4. **VETERANS HOMES**

Of the appropriation in Laws 2009, chapter 94, article 3, section 2, subdivision 3, or from funds carried forward from fiscal year 2009:

(1) \$1,000,000 in fiscal year 2011 is for operational expenses related to the 21-bed addition at the Fergus Falls Veterans Home; and

(2) \$113,000 in fiscal year 2011 is for start-up expenses related to the opening of an adult daycare facility at the Minneapolis Veterans Home.

Sec. 5. **REPORT TO THE LEGISLATURE**

By January 15, 2011, the commissioner shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over veterans affairs policy and finance regarding any unexpended appropriations, revenues, or other actual or projected carryover money provided directly or indirectly through any provision in this article.

Sec. 6. Minnesota Statutes 2009 Supplement, section 190.19, subdivision 2a, is amended to read:

Subd. 2a. **Uses; veterans.** Money appropriated to the Department of Veterans Affairs from the Minnesota "Support Our Troops" account may be used for:

(1) grants to veterans service organizations;

(2) outreach to underserved veterans; ~~and~~

(3) providing services and programs for veterans and their families; and

(4) transfers to the vehicle services account for Gold Star license plates under section 168.1253.

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

Sec. 7. Laws 2009, chapter 94, article 3, section 2, subdivision 3, is amended to read:

Subd. 3. **Veterans Homes** 43,673,000 43,916,000

Veterans Homes Special Revenue Account. The general fund appropriations made to the department may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the department for the operation of veterans homes facilities and programs.

Repair and Betterment. Of this appropriation, \$1,000,000 in fiscal year 2010 and \$500,000 in fiscal year 2011 are to be used for repair, maintenance, rehabilitation, and betterment activities at facilities statewide.

Hastings Veterans Home. \$220,000 each year is for increases in the mental health program at the Hastings Veterans Home.

~~**Food.** \$92,000 in fiscal year 2010 and \$189,000 in fiscal year 2011 are for increases in food costs at the Minnesota veterans homes.~~

~~**Pharmaceuticals.** \$287,000 in fiscal year 2010 and \$617,000 in fiscal year 2011 are for increases in pharmaceutical costs.~~

~~**Fuel and Utilities.** \$277,000 in fiscal year 2010 and \$593,000 in fiscal year 2011 are for increases in fuel and utility costs at the Minnesota veterans homes.~~

Medicare Part D. \$141,000 in fiscal year 2010 and \$141,000 in fiscal year 2011 are for implementation of Minnesota Statutes, section 198.003, subdivision 7.

ARTICLE 7

ECONOMIC DEVELOPMENT

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
General	\$(2,531,000)	\$(4,589,000)	\$(7,120,000)

Sec. 2. APPROPRIATIONS.

The sums shown in the columns under "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 78, article 1, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for

each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment. Reductions may be taken in either fiscal year.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>
Sec. 3. <u>EMPLOYMENT AND ECONOMIC DEVELOPMENT</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$(1,643,000)</u>	<u>\$(1,582,000)</u>
<u>The appropriation reductions for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <u>Business and Community Development</u>	<u>(193,000)</u>	<u>(582,000)</u>
<u>(a) \$15,000 in 2010 and \$25,000 in 2011 are from the appropriation for a grant to BioBusiness Alliance of Minnesota.</u>		
<u>(b) \$15,000 in 2011 is from the appropriation for a grant to the Minnesota Inventors Congress.</u>		
<u>(c) \$6,000 in 2010 and \$10,000 in 2011 are from the appropriation for the Office of Science and Technology. This is a onetime reduction.</u>		
<u>(d) \$15,000 in 2010 and \$25,000 in 2011 are from the appropriation for a grant to Enterprise Minnesota, Inc. This is a onetime reduction.</u>		
Subd. 3. <u>Workforce Development</u>	<u>(384,000)</u>	<u>(910,000)</u>
<u>(a) \$250,000 in 2010 and \$250,000 in 2011 are from the appropriation for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17.</u>		
<u>(b) \$119,000 in 2011 is from the appropriation for State Services for the Blind activities.</u>		
<u>(c) \$71,000 in 2010 and \$119,000 in 2011 are from the appropriation for grants to Centers for Independent Living.</u>		
<u>(d) \$22,000 in 2010 and \$375,000 in 2011 are from the appropriation for extended employment services under Minnesota Statutes, section 268A.15. Notwithstanding Minnesota Rules, parts 3300.2030 to 3300.2055, the commissioner may adjust contracts with eligible extended employment providers in order to achieve required reductions through June 30, 2011. The general fund base for extended employment services is \$5,405,000 in fiscal year 2012 and \$5,405,000 in fiscal year 2013.</u>		

(e) \$41,000 in 2010 and \$47,000 in 2011 are from the appropriation for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14.

Subd. 4. **State-Funded Administration** (35,000) (90,000)

Subd. 5. **Carryforward** (1,000,000) -0-

The carryforward reduction is for the job skills partnership program.

Subd. 6. **Transfers and Cancellations**

(a) \$2,500,000 in 2010 and \$2,500,000 in 2011 are transferred from the petroleum tank release cleanup fund under Minnesota Statutes, section 115C.08, to the general fund.

(b) \$80,000 in 2010 is transferred from the unemployment insurance state administration account in the special revenue fund under Minnesota Statutes, section 268.196, subdivision 1, to the general fund.

(c) \$160,000 in 2010 is transferred from the capital access program account in the special revenue fund under Minnesota Statutes, section 116J.876, subdivision 4, to the general fund.

(d) The remaining balance from the Laws 2007, chapter 135, article 1, section 3, appropriation for a grant to Le Sueur County is canceled.

Sec. 4. **DEPARTMENT OF LABOR AND INDUSTRY; TRANSFERS** \$-0- \$-0-

By June 30, 2010, the commissioner of management and budget shall transfer \$1,425,000 from the assigned risk safety account in the worker's compensation fund to the general fund.

Sec. 5. **BUREAU OF MEDIATION SERVICES** \$(50,000) \$(83,000)

Sec. 6. **ACCOUNTANCY BOARD** \$(15,000) \$(25,000)

Sec. 7. **BOARD OF ARCHITECTURE, ENGINEERING, SURVEYING, AND LANDSCAPING** \$(24,000) \$(41,000)

Sec. 8. **BOARD OF COSMETOLOGIST EXAMINERS** \$-0- \$395,000

Sec. 9. **BOARD OF BARBER EXAMINERS** \$-0- \$69,000

Sec. 10. **COMBATIVE SPORTS COMMISSION** \$-0- \$-0-

Sec. 11. **HOUSING FINANCE AGENCY****Subdivision 1. Total Appropriation****\$(2,061,000)****\$(2,156,000)**

The amounts that may be spent or must be reduced for each purpose are specified in the following subdivisions.

Subd. 2. Affordable Rental Investment Fund**(2,061,000)****(1,156,000)**

These reductions are from the appropriation for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b.

In fiscal year 2010, the Housing Finance Agency shall transfer \$2,061,000 from the affordable rental investment fund program in the housing development fund, to the general fund.

The base appropriation for the affordable rental investment fund program for fiscal years 2012 and 2013 is \$7,546,000 for each year.

Subd. 3. Housing Rehabilitation**-0-****(1,000,000)**

This reduction is from the appropriation for the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14, for rental housing developments.

The base appropriation for the housing rehabilitation program for fiscal years 2012 and 2013 is \$3,287,000 for each year.

Sec. 12. **PUBLIC FACILITIES AUTHORITY****\$(11,000)****\$(7,000)**Sec. 13. **EXPLORE MINNESOTA TOURISM****\$(253,000)****\$(302,000)**

(a) \$251,000 in 2010 and \$300,000 in 2011 are reductions to Explore Minnesota Tourism. Of the reduction in 2010, \$13,000 is a reduction in the carryforward from fiscal year 2009.

(b) \$2,000 in 2010 and \$2,000 in 2011 are reductions to the incentive grants program.

Sec. 14. **MINNESOTA HISTORICAL SOCIETY****\$(210,000)****\$(490,000)****(a) Education and Outreach**

\$120,000 in 2010 and \$280,000 in 2011 are reductions to education and outreach.

(b) Preservation and Access

\$90,000 in 2010 and \$210,000 in 2011 are reductions to the preservation and access program.

Sec. 15. **BOARD OF THE ARTS****\$(259,000)****\$(284,000)****(a) Operations and Services**\$20,000 in 2010 and \$21,000 in 2011 are reductions to operations and services.**(b) Grants Program**\$165,000 in 2010 and \$182,000 in 2011 are reductions to the grants program.**(c) Regional Arts Council**\$74,000 in 2010 and \$81,000 in 2011 are reductions to the Regional Arts Council.Sec. 16. **MINNESOTA HUMANITIES CENTER****\$-0-****\$-0-**Sec. 17. **PUBLIC BROADCASTING****\$(66,000)****\$(83,000)**(a) \$38,000 in 2010 and \$48,000 in 2011 are reductions to matching grants for public television.(b) \$7,000 in 2010 and \$10,000 in 2011 are reductions to public television equipment grants.(c) \$1,000 in 2010 and \$1,000 in 2011 are reductions to the grant to the Twin Cities regional cable channel.(d) \$9,000 in 2010 and \$9,000 in 2011 are reductions to the community service grants to public educational radio stations.(e) \$3,000 in 2010 and \$3,000 in 2011 are reductions to the equipment grants to public educational radio stations.(f) \$8,000 in 2010 and \$12,000 in 2011 are reductions to the equipment grants to Minnesota Public Radio, Inc.

Sec. 18. Laws 2009, chapter 78, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. **Business and Community Development**

8,980,000

8,980,000

Appropriations by Fund

General	7,941,000	7,941,000
Remediation	700,000	700,000
Workforce Development	339,000	339,000

(a) \$700,000 the first year and \$700,000 the second year are from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, section 116J.554. This appropriation is available until expended.

(b) \$200,000 each year is from the general fund for a grant to WomenVenture for women's business development programs and for programs that encourage and assist women to enter nontraditional careers in the trades; manual and technical occupations; science, technology, engineering, and mathematics-related occupations; and green jobs. This appropriation may be matched dollar for dollar with any resources available from the federal government for these purposes with priority given to initiatives that have a goal of increasing by at least ten percent the number of women in occupations where women currently comprise less than 25 percent of the workforce. The appropriation is available until expended.

(c) \$105,000 each year is from the general fund and \$50,000 each year is from the workforce development fund for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area. This appropriation must be used for the sole purpose of providing free or reduced fee business consulting services to minority entrepreneurs and contractors.

(d)(1) \$500,000 each year is from the general fund for a grant to BioBusiness Alliance of Minnesota for bioscience business development programs to promote and position the state as a global leader in bioscience business activities. This appropriation is added to the department's base. These funds may be used to create, recruit, retain, and expand biobusiness activity in Minnesota; implement the destination 2025 statewide plan; update a statewide assessment of the bioscience industry and the competitive position of Minnesota-based bioscience businesses relative to other states and other nations; and develop and implement business and scenario-planning models to create, recruit, retain, and expand biobusiness activity in Minnesota.

(2) The BioBusiness Alliance must report each year by February 15 to the committees of the house of representatives and the senate having jurisdiction over bioscience industry activity in Minnesota on the use of funds; the number of bioscience businesses and jobs created, recruited, retained, or expanded in the state since the last reporting period; the competitive position of the biobusiness industry; and utilization rates and results of the business and scenario-planning models and outcomes resulting from utilization of the business and scenario-planning models.

(e)(1) Of the money available in the Minnesota Investment Fund, Minnesota Statutes, section 116J.8731, to the commissioner of the Department of Employment and Economic Development, up to

\$3,000,000 is appropriated in fiscal year 2010 for a loan to an aircraft manufacturing and assembly company, associated with the aerospace industry, for equipment utilized to establish an aircraft completion center at the Minneapolis-St. Paul International Airport. The finishing center must use the state's vocational training programs designed specifically for aircraft maintenance training, and to the extent possible, work to recruit employees from these programs. The center must create at least 200 new manufacturing jobs within 24 months of receiving the loan, and create not less than 500 new manufacturing jobs over a five-year period in Minnesota.

(2) This loan is not subject to loan limitations under Minnesota Statutes, section 116J.8731, subdivision 5. Any match requirements under Minnesota Statutes, section 116J.8731, subdivision 3, may be made from current resources. This is a onetime appropriation and is effective the day following final enactment.

(f) \$65,000 each year is from the general fund for a grant to the Minnesota Inventors Congress, of which at least \$6,500 must be used for youth inventors.

(g) \$200,000 the first year and \$200,000 the second year are for the Office of Science and Technology. This is a onetime appropriation.

(h) \$500,000 the first year and \$500,000 the second year are for a grant to Enterprise Minnesota, Inc., for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation and is available until expended.

(i)(1) \$100,000 each year is from the workforce development fund for a grant under Minnesota Statutes, section 116J.421, to the Rural Policy and Development Center at St. Peter, Minnesota. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions, to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center.

(2) The grant shall be provided upon the condition that each state-appropriated dollar be matched with a nonstate dollar. Acceptable matching funds are nonstate contributions that the center has received and have not been used to match previous state grants. Any funds not spent the first year are available the second year.

(j) Notwithstanding Minnesota Statutes, section 268.18, subdivision 2, \$414,000 of funds collected for unemployment insurance administration under this subdivision is appropriated as

follows: \$250,000 to Lake County for ice storm damage; \$64,000 is for the city of Green Isle for reimbursement of fire relief efforts and other expenses incurred as a result of the fire in the city of Green Isle; and \$100,000 is to develop the construction mitigation pilot program to make grants for up to five projects statewide available to local government units to mitigate the impacts of transportation construction on local small business. These are onetime appropriations and are available until expended.

(k) Up to \$10,000,000 is appropriated from the Minnesota minerals 21st century fund to the commissioner of Iron Range resources and rehabilitation to make ~~a grant grants~~ or forgivable ~~loan loans~~ to ~~a manufacturer~~ manufacturers of windmill blades, other renewable energy manufacturing, or biomass products at a facility facilities to be located within the taconite tax relief area defined in Minnesota Statutes, section 273.134. No match is required for the renewable energy manufacturing or biomass projects.

(l) \$1,000,000 is appropriated from the Minnesota minerals 21st century fund to the Board of Trustees of the Minnesota State Colleges and Universities for a grant to the Northeast Higher Education District for planning, design, and construction of classrooms and housing facilities for upper division students in the engineering program.

(m)(1) \$189,000 each year is appropriated from the workforce development fund for grants of \$63,000 to eligible organizations each year to assist in the development of entrepreneurs and small businesses. Each state grant dollar must be matched with \$1 of nonstate funds. Any balance in the first year does not cancel but is available in the second year.

(2) Three grants must be awarded to continue or to develop a program. One grant must be awarded to the Riverbend Center for Entrepreneurial Facilitation in Blue Earth County, and two to other organizations serving Faribault and Martin Counties. Grant recipients must report to the commissioner by February 1 of each year that the organization receives a grant with the number of customers served; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates. The commissioner must report to the house of representatives and senate committees with jurisdiction over economic development finance on the effectiveness of these programs for assisting in the development of entrepreneurs and small businesses.

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

Sec. 19. **ADJUSTMENT.**

The amounts appropriated in Laws 2009, chapter 78, article 1, section 3, subdivision 3, paragraph (aa), for adult and displaced worker programs, are available for the appropriated purposes until April 1, 2010, and after that date are also available for the purposes of serving formula individual dislocated workers from small layoffs under Minnesota Statutes, section 116L.17. None of these amounts may be used for administrative costs by either the commissioner of employment and economic development or the local workforce investment boards.

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

Sec. 20. **APPROPRIATIONS MADE ONLY ONCE.**

If the appropriations made in this article are enacted more than once in the 2010 regular session, these appropriations must be given effect only once.

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

ARTICLE 8

MISCELLANEOUS ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2009 Supplement, section 115C.08, subdivision 4, is amended to read:

Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

- (1) to administer the petroleum tank release cleanup program established in this chapter;
- (2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;
- (3) for costs of recovering expenses of corrective actions under section 115C.04;
- (4) for training, certification, and rulemaking under sections 116.46 to 116.50;
- (5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;
- (6) for reimbursement of the environmental response, compensation, and compliance account under subdivision 5 and section 115B.26, subdivision 4;
- (7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter;
- (8) for corrective action performance audits under section 115C.093;
- (9) for contamination cleanup grants, as provided in paragraph (c); and
- (10) to assess and remove abandoned underground storage tanks under section 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor services costs necessary to complete the tank removal project, including, but not limited to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an excavation report.

(b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.

(c) In fiscal years 2010 and 2011, \$3,700,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Beginning in fiscal year 2012 and each year thereafter, \$6,200,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Of this amount, the commissioner may spend up to \$225,000 annually for administration of the contamination cleanup grant program. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn from the fund nor the fund balance reduced until the funds are requested by the commissioner of employment and economic development. The commissioner shall schedule requests for withdrawals from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

(1) project costs at a qualifying site if a portion of the cleanup costs are attributable to petroleum contamination or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01; and

(2) the costs of performing contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01.

Sec. 2. Minnesota Statutes 2008, section 116L.17, subdivision 2, is amended to read:

Subd. 2. **Grants.** The board shall make grants to workforce service areas or other eligible organizations to provide services to dislocated workers as follows:

(a) The board shall allocate funds available for the purposes of this section in its discretion to respond to substantial layoffs and plant closings.

(b) The board shall regularly allocate funds to provide services to individual dislocated workers or small groups. The initial allocation for this purpose must be 50 percent of the deposits and transfers into the workforce development fund, less any collection costs paid out of the fund and any amounts appropriated by the legislature from the workforce development fund for programs other than the state dislocated worker program.

(c) Following the initial allocation, the board may consider additional allocations to provide services to individual dislocated workers. The board's decision to allocate additional funds shall be based on relevant economic indicators including: the number of substantial layoffs to date, notices of substantial layoffs for the remainder of the fiscal year, evidence of declining industries, the number of permanently separated individuals applying for unemployment benefits by workforce service area, and the number of individuals exhausting unemployment benefits by workforce service area. The board must also consider expenditures of allocations to workforce service areas under paragraph (b) made during the first two quarters of the fiscal year and federal resources that have been or are likely to be allocated to Minnesota for the purposes of serving dislocated workers affected by substantial layoffs or plant closings; except that this sentence does not apply in fiscal year 2011.

(d) The board may, in its discretion, allocate funds carried forward from previous years under subdivision 9 for large, small, or individual layoffs.

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 3. Minnesota Statutes 2009 Supplement, section 154.002, is amended to read:

154.002 OFFICERS; COMPENSATION; FEES; EXPENSES.

The Board of Barber Examiners shall annually elect a chair and secretary. It shall adopt and use a common seal for the authentication of its orders and records. The board shall appoint an executive secretary ~~who~~ or enter into an interagency agreement to procure the services of an executive secretary. The executive secretary shall not be a member of the board and ~~who~~ shall be in the unclassified civil service. The position of executive secretary may be a part-time position.

The executive secretary shall keep a record of all proceedings of the board. The expenses of administering this chapter shall be paid from the appropriations made to the Board of Barber Examiners.

Each member of the board shall take the oath provided by law for public officers.

A majority of the board, in meeting assembled, may perform and exercise all the duties and powers devolving upon the board.

The members of the board shall receive compensation for each day spent on board activities, but not to exceed 20 days in any calendar month nor 100 days in any calendar year.

The board shall have authority to employ such inspectors, clerks, deputies, and other assistants as it may deem necessary to carry out the provisions of this chapter.

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

Sec. 4. Minnesota Statutes 2009 Supplement, section 154.003, is amended to read:

154.003 FEES.

(a) The fees collected, as required in this chapter, chapter 214, and the rules of the board, shall be paid to the ~~executive secretary of the board.~~ The executive secretary board shall deposit the fees in the general fund in the state treasury.

(b) The board shall charge the following fees:

(1) examination and certificate, registered barber, ~~\$65~~ \$85;

(2) examination and certificate, apprentice, ~~\$60~~ \$80;

(3) examination, instructor, ~~\$160~~ \$180;

(4) certificate, instructor, ~~\$45~~ \$65;

(5) temporary teacher or apprentice permit, ~~\$60~~ \$80;

(6) renewal of license, registered barber, ~~\$60~~ \$80;

(7) renewal of license, apprentice, ~~\$50~~ \$70;

(8) renewal of license, instructor, ~~\$60~~ \$80;

- (9) renewal of temporary teacher permit, ~~\$45~~ \$65;
- (10) student permit, ~~\$25~~ \$45;
- (11) initial shop registration, ~~\$65~~ \$85;
- (12) initial school registration, ~~\$1,010~~ \$1,030;
- (13) renewal shop registration, ~~\$65~~ \$85;
- (14) renewal school registration, ~~\$260~~ \$280;
- (15) restoration of registered barber license, ~~\$75~~ \$95;
- (16) restoration of apprentice license, ~~\$70~~ \$90;
- (17) restoration of shop registration, ~~\$85~~ \$105;
- (18) change of ownership or location, ~~\$35~~ \$55;
- (19) duplicate license, ~~\$20~~ \$40; and
- (20) home study course, ~~\$75~~; and \$95.
- ~~(21) registration of hair braiders, \$20 per year.~~

Sec. 5. Minnesota Statutes 2009 Supplement, section 155A.23, is amended by adding a subdivision to read:

Subd. 5a. **Individual license.** "Individual license" means a license described in section 155A.25, subdivision 1, paragraph (a), clauses (1) and (2).

Sec. 6. Minnesota Statutes 2009 Supplement, section 155A.24, subdivision 2, is amended to read:

Subd. 2. **Hiring and assignment of employees.** The board has the authority to hire qualified personnel in the classified service to assist in administering the law, including those for the testing and licensing of applicants and the continuing inspections required. All staff must receive periodic training to improve and maintain customer service skills.

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

Sec. 7. Minnesota Statutes 2009 Supplement, section 155A.24, is amended by adding a subdivision to read:

Subd. 3. **Feedback.** The board must provide access on its Web site for customers to provide feedback on interaction with the board and board staff. The information posted to the Web site by customers must be readily accessible to the public. The board must also record each complaint it receives, the board's response, and the time elapsed in responding to and resolving each complaint.

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

Sec. 8. Minnesota Statutes 2009 Supplement, section 155A.24, is amended by adding a subdivision to read:

Subd. 4. **Report.** The board must report by January 15 each year to the standing committees of the house of representatives and the senate having jurisdiction over the board on its customer service training and its complaint resolution activities.

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

Sec. 9. Minnesota Statutes 2009 Supplement, section 155A.25, is amended to read:

155A.25 COSMETOLOGY FEES; LICENSE EXPIRATION DATE.

Subdivision 1. **Schedule.** The fee schedule for licensees is as follows for licenses issued prior to July 1, 2010, and after June 30, 2013:

(a) Three-year license fees:

- (1) cosmetologist, manicurist, esthetician, \$90 for each initial license, and \$60 for each renewal;
- (2) instructor, manager, \$120 for each initial license, and \$90 for each renewal;
- (3) salon, \$130 for each initial license, and \$100 for each renewal; and
- (4) school, \$1,500.

(b) Penalties:

- (1) reinspection fee, variable;
- (2) manager and owner with lapsed practitioner, \$150 each;
- (3) expired cosmetologist, manicurist, esthetician, manager, school manager, and instructor license, \$45; and
- (4) expired salon or school license, \$50.

(c) Administrative fees:

- (1) certificate of identification, \$20;
- (2) school original application, \$150;
- (3) name change, \$20;
- (4) letter of license verification, \$30;
- (5) duplicate license, \$20;
- (6) processing fee, \$10; ~~and~~
- (7) special event permit, \$75 per year; and
- (8) registration of hair braiders, \$20 per year.

~~(d) All fees established in this subdivision must be paid to the executive secretary of the board. The executive secretary of the board shall deposit the fees in the general fund in the state treasury.~~

Subd. 1a. **Schedule.** The fee schedule for licensees is as follows for licenses issued after June 30, 2010, and prior to July 1, 2013:

(a) Three-year license fees:

(1) cosmetologist, manicurist, or esthetician:

(i) \$90 for each initial license and a \$40 nonrefundable initial license application fee, for a total of \$130; and

(ii) \$60 for each renewal and a \$15 nonrefundable renewal application fee, for a total of \$75;

(2) instructor or manager:

(i) \$120 for each initial license and a \$40 nonrefundable initial license application fee, for a total of \$160; and

(ii) \$90 for each renewal and a \$15 nonrefundable renewal application fee, for a total of \$105;

(3) salon:

(i) \$130 for each initial license and a \$100 nonrefundable initial license application fee, for a total of \$230; and

(ii) \$100 for each renewal and a \$50 nonrefundable renewal application fee, for a total of \$150; and

(4) school:

(i) \$1,500 for each initial license and a \$1,000 nonrefundable initial license application fee, for a total of \$2,500; and

(ii) \$1,500 for each renewal and a \$500 nonrefundable renewal application fee, for a total of \$2,000.

(b) Penalties:

(1) reinspection fee, variable;

(2) manager and owner with lapsed practitioner, \$150 each;

(3) expired cosmetologist, manicurist, esthetician, manager, school manager, and instructor license, \$45; and

(4) expired salon or school license, \$50.

(c) Administrative fees:

(1) certificate of identification, \$20;

(2) name change, \$20;

(3) letter of license verification, \$30;

(4) duplicate license, \$20;

(5) processing fee, \$10;

(6) special event permit, \$75 per year; and

(7) registration of hair braiders, \$20 per year.

Subd. 1b. Fees disposition; appropriation. (a) All fees established in subdivisions 1 and 1a must be paid to the executive secretary of the board.

(b) The executive secretary of the board shall deposit all fees in the general fund in the state treasury.

Subd. 2. Refunds. Refunds shall be given in the following situations: overpayment; death or permanent disability before the effective date of a license; or an individual's ineligibility for licensure. Applicants determined ineligible to receive a license will be refunded the license fee minus any processing fee and minus any application fee this section requires.

Subd. 3. Other licenses. A licensee who applies for licensing in a second category shall pay the full license fee and application fee for the second category of license.

Subd. 4. License expiration date. The board shall, in a manner determined by the board and without the need for rulemaking under chapter 14, phase in changes to initial and renewal license expiration dates so that by January 1, 2014:

(1) individual licenses expire on the last day of the licensee's birth month of the year due; and

(2) salon licenses expire on the last day of the month of initial licensure of the year due.

Subd. 5. Board must approve or deny application; timeline. Within 15 working days of receiving a complete application and the required fees for an initial or renewal individual or salon license, the board must (1) either grant or deny the application, (2) issue the license or notify the applicant of the denial, or (3) issue a temporary license to an applicant for whom no record exists regarding: (i) a complaint filed with the board against the applicant; or (ii) a negative action by the board against the applicant.

Sec. 10. Minnesota Statutes 2008, section 326B.148, subdivision 1, is amended to read:

Subdivision 1. **Computation.** To defray the costs of administering sections 326B.101 to 326B.194, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971. The commissioner may use any surplus in surcharge receipts to award grants for code research and development and education.

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or 50 cents, except that effective July 1, 2010, until June 30, 2011, the permit surcharge is equivalent to one-half mill (.0005) of the fee or \$5, whichever amount is greater. For all other permits, the surcharge is as follows:

(1) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration;

(2) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000;

(3) if the valuation is greater than \$2,000,000, the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000;

(4) if the valuation is greater than \$3,000,000, the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000;

(5) if the valuation is greater than \$4,000,000, the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and

(6) if the valuation exceeds \$5,000,000, the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value that exceeds \$5,000,000.

Sec. 11. **RULEMAKING.**

Subdivision 1. **Conforming changes.** The Board of Cosmetologist Examiners must amend Minnesota Rules, parts 2105.0200 and 2105.0330, to conform to the license expiration date requirements of Minnesota Statutes, section 155A.25, subdivision 4, by specifying that individual or salon licenses expire on the last day of an individual's birth month of the year due, or on the last day of the month of initial licensure of the year due.

Subd. 2. **Good cause exemption.** The Board of Cosmetologist Examiners must use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt the rules required by this section. Minnesota Statutes, section 14.386, does not apply except as provided in Minnesota Statutes, section 14.388.

Sec. 12. Minnesota Statutes 2008, section 116U.26, is amended to read:

116U.26 FILM PRODUCTION JOBS PROGRAM.

(a) The film production jobs program is created. The program shall be operated by the Minnesota Film and TV Board with administrative oversight and control by the director of Explore Minnesota Tourism. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to the Minnesota Film and TV Board of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

The Minnesota Film and TV Board shall make recommendations to the director of Explore Minnesota Tourism about program payment, but the director has the authority to make the final determination on payments. The director's determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

(i) a story and scenario to be used for a film;

(ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;

(iii) set construction and operations, wardrobe, accessories, and related services;

(iv) photography, sound synchronization, lighting, and related services;

(v) editing and related services;

(vi) rental of facilities and equipment; or

(vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice; and

(2) "film" means a feature film, television or Internet show, documentary, music video, or television commercial, whether on film, video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board may make reimbursements of: (1) up to 20 percent of film production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur production costs in excess of \$5,000,000 in Minnesota the metropolitan area within a 12-month period; or (2) up to 15 percent of film production costs for films that incur production costs of \$5,000,000 or less in the metropolitan area within a 12-month period.

ARTICLE 9

MINERALS

Section 1. Minnesota Statutes 2009 Supplement, section 298.294, is amended to read:

298.294 INVESTMENT OF FUND.

(a) The trust fund established by section 298.292 shall be invested pursuant to law by the State Board of Investment and the net interest, dividends, and other earnings arising from the investments shall be transferred, except as provided in paragraph (b), on the first day of each month to the trust and shall be included and become part of the trust fund. The amounts transferred, including the interest, dividends, and other earnings earned prior to July 13, 1982, together with the additional amount of \$10,000,000 for fiscal year 1983, which is appropriated April 21, 1983, are appropriated from the trust fund to the commissioner of Iron Range resources and rehabilitation for deposit in a separate account for expenditure for the purposes set forth in section 298.292. Amounts appropriated pursuant to this section shall not cancel but shall remain available unless expended.

(b) For fiscal years 2010 and 2011 only, ~~\$1,000,000~~ \$1,500,000 of the net interest, dividends, and other earnings under paragraph (a) shall be transferred to a special account. Funds in the special account are available for loans or grants to businesses, with priority given to businesses with 25 or fewer employees. Funds may be used for wage subsidies for up to 52 weeks of up to \$5 per hour or other activities, including, but not limited to, short-term operating expenses and purchase of equipment and materials by businesses under financial duress, that will create additional jobs in the taconite assistance area under section 273.1341. Expenditures from the special account must be approved by at least seven Iron Range Resources and Rehabilitation Board members.

(c) To qualify for a grant or loan, a business must be currently operating and have been operating for one year immediately prior to its application for a loan or grant, and its corporate headquarters must be located in the taconite assistance area.

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

Sec. 2. Laws 2009, chapter 78, article 7, section 2, is amended to read:

Sec. 2. **IRON RANGE RESOURCES AND REHABILITATION; EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.**

(a) Notwithstanding any law to the contrary, the commissioner of Iron Range resources and rehabilitation, in consultation with the commissioner of management and budget, ~~may~~ shall offer a targeted early separation incentive program for employees of the commissioner who have attained the age of 60 years or who have received credit for at least 30 years of allowable service under the provisions of Minnesota Statutes, chapter 352.

(b) The early separation incentive program may include one or more of the following:

(1) employer-paid postseparation health, medical, and dental insurance until age 65; and

(2) cash incentives that may, but are not required to be, used to purchase additional years of service credit through the Minnesota State Retirement System, to the extent that the purchases are otherwise authorized by law.

(c) The commissioner of Iron Range resources and rehabilitation shall establish eligibility requirements for employees to receive an incentive.

(d) The commissioner of Iron Range resources and rehabilitation, consistent with the established program provisions under paragraph (b), and with the eligibility requirements under paragraph (c), may designate specific programs or employees as eligible to be offered the incentive program.

(e) Acceptance of the offered incentive must be voluntary on the part of the employee and must be in writing. The incentive may only be offered at the sole discretion of the commissioner of Iron Range resources and rehabilitation.

(f) The cost of the incentive is payable solely by funds made available to the commissioner of Iron Range resources and rehabilitation by law, but only on prior approval of the expenditures by a majority of the Iron Range Resources and Rehabilitation Board.

(g) This section and section 3 are repealed ~~June 30, 2011~~ December 31, 2012.

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

Sec. 3. **2010 DISTRIBUTIONS ONLY.**

For distributions in 2010 only, a special fund is established to receive 28.757 cents per ton that otherwise would be allocated under Minnesota Statutes, section 298.28, subdivision 6:

(1) 0.764 cent per ton must be paid to Northern Minnesota Dental to provide incentives for at least two dentists to establish dental practices in high-need areas of the taconite tax relief area;

(2) 0.955 cent per ton must be paid to the city of Virginia for repairs and geothermal heat at the Olcott Park Greenhouse/Virginia Commons project;

(3) 0.796 cent per ton must be paid to the city of Virginia for health and safety repairs at the Miners Memorial;

(4) 1.114 cents per ton must be paid to the city of Eveleth for the reconstruction of Highway 142/Grant and Park Avenues;

(5) 0.478 cent per ton must be paid to the Greenway Joint Recreation Board for upgrades and capital improvements to the public arena in Coleraine;

(6) 0.796 cent per ton must be paid to the city of Calumet for water treatment and pumphouse modifications;

(7) 0.159 cent per ton must be paid to the city of Bovey for residential and commercial claims for water damage due to water and flood-related damage caused by the Canisteo Pit;

(8) 0.637 cent per ton must be paid to the city of Nashwauk for a community and child care center;

(9) 0.637 cent per ton must be paid to the city of Keewatin for water and sewer upgrades;

(10) 0.637 cent per ton must be paid to the city of Marble for the city hall and library project;

(11) 0.955 cent per ton must be paid to the city of Grand Rapids for extension of water and sewer services for Lakewood Housing;

(12) 0.159 cent per ton must be paid to the city of Grand Rapids for exhibits at the Children's Museum;

(13) 0.637 cent per ton must be paid to the city of Grand Rapids for Block 20/21 soil corrections. This amount must be matched by local sources;

(14) 0.605 cent per ton must be paid to the city of Aitkin for three water loops;

(15) 0.048 cent per ton must be paid to the city of Aitkin for signage;

(16) 0.159 cent per ton must be paid to Aitkin County for a trail;

(17) 0.637 cent per ton must be paid to the city of Cohasset for the Beiers Road railroad crossing;

(18) 0.088 cent per ton must be paid to the town of Clinton for expansion and striping of the community center parking lot;

(19) 0.398 cent per ton must be paid to the city of Kinney for water line replacement;

(20) 0.796 cent per ton must be paid to the city of Gilbert for infrastructure improvements, milling, and overlay for Summit Street between Alaska Avenue and Highway 135;

(21) 0.318 cent per ton must be paid to the city of Gilbert for sanitary sewer main replacements and improvements in the Northeast Lower Alley area;

(22) 0.637 cent per ton must be paid to the town of White for replacement of the Stepetz Road culvert;

(23) 0.796 cent per ton must be paid to the city of Buhl for reconstruction of Sharon Street and associated infrastructure;

(24) 0.796 cent per ton must be paid to the city of Mountain Iron for site improvements at the Park Ridge development;

(25) 0.796 cent per ton must be paid to the city of Mountain Iron for infrastructure and site preparation for its renewable and sustainable energy park;

- (26) 0.637 cent per ton must be paid to the city of Biwabik for sanitary sewer improvements;
- (27) 0.796 cent per ton must be paid to the city of Aurora for alley and road rebuilding for the Summit Addition;
- (28) 0.955 cent per ton must be paid to the city of Silver Bay for bioenergy facility improvements;
- (29) 0.318 cent per ton must be paid to the city of Grand Marais for water and sewer infrastructure improvements;
- (30) 0.318 cent per ton must be paid to the city of Orr for airport, water, and sewer improvements;
- (31) 0.716 cent per ton must be paid to the city of Cook for street and bridge improvements and industrial park land purchase;
- (32) 0.955 cent per ton must be paid to the city of Ely for street, water, and sewer improvements;
- (33) 0.318 cent per ton must be paid to the city of Tower for water and sewer improvements;
- (34) 0.955 cent per ton must be paid to the city of Two Harbors for water and sewer improvements;
- (35) 0.637 cent per ton must be paid to the city of Babbitt for water and sewer improvements;
- (36) 0.096 cent per ton must be paid to the township of Duluth for infrastructure improvements;
- (37) 0.096 cent per ton must be paid to the township of Tofte for infrastructure improvements;
- (38) 3.184 cents per ton must be paid to the city of Hibbing for sewer improvements;
- (39) 1.273 cents per ton must be paid to the city of Chisholm for NW Area Project infrastructure improvements;
- (40) 0.318 cent per ton must be paid to the city of Chisholm for health and safety improvements at the athletic facility;
- (41) 0.796 cent per ton must be paid to the city of Hoyt Lakes for residential street improvements;
- (42) 0.796 cent per ton must be paid to the Bois Forte Indian Reservation for infrastructure related to a housing development;
- (43) 0.159 cent per ton must be paid to Balkan Township for building improvements;
- (44) 0.159 cent per ton must be paid to the city of Grand Rapids for a grant to a nonprofit for a signage kiosk;
- (45) 0.318 cent per ton must be paid to the city of Crane Lake for sanitary sewer lines and adjacent development near County State-Aid Highway 24; and
- (46) 0.159 cent per ton must be paid to the city of Chisholm to rehabilitate historic wall infrastructure around the athletic complex.

EFFECTIVE DATE. This section is effective for the 2010 distribution, all of which must be made in the August 2010 payment.

This reduction is from the appropriation from the general fund for transit assistance in Laws 2009, chapter 36, article 1, section 3, subdivision 2, paragraph (b).

The base appropriation from the general fund for fiscal years 2012 and 2013 is \$16,301,000.

(b) **Freight** -0- (50,000)

This reduction is from the appropriation from the general fund for freight and commercial vehicle operations in Laws 2009, chapter 36, article 1, section 3, subdivision 2, paragraph (d).

Subd. 3. **State Roads**

(a) **State Road Construction** -0- 112,000,000

This appropriation is for state road construction, and is added to appropriations under Laws 2009, chapter 36, article 1, section 3, subdivision 3, paragraph (b), clause (2). This additional appropriation is funded by additional federal highway aid of \$112,000,000 above that specified in Laws 2009, chapter 36, article 1, section 3, subdivision 3, paragraph (b), clause (2). This is a onetime appropriation.

(b) **Federal Emergency Relief Account** -0- 5,000,000

This appropriation is for deposit in the trunk highway emergency relief account, as defined in Minnesota Statutes, section 161.04, subdivision 5, for the purposes of that account. This is a onetime appropriation.

Sec. 4. **METROPOLITAN COUNCIL** \$-0- \$(12,915,000)

This reduction is from the appropriation from the general fund for bus system operations in Laws 2009, chapter 36, article 1, section 4, subdivision 2.

The base appropriation from the general fund for fiscal years 2012 and 2013 is \$61,302,000 for each year.

Sec. 5. Minnesota Statutes 2008, section 161.04, is amended by adding a subdivision to read:

Subd. 5. **Trunk highway emergency relief account.** (a) The trunk highway emergency relief account is created in the trunk highway fund. Money in the account is appropriated to the commissioner to be used to fund relief activities related to an emergency, as defined in section 161.32, subdivision 3.

(b) Reimbursements by the Federal Highway Administration for emergency relief payments made from the trunk highway emergency relief account must be credited to the account. Interest accrued on the account must be credited to the account. Notwithstanding section 16A.28, money in the account is available until spent. If the balance of the account at the end of a fiscal year is greater than \$10,000,000, the amount above \$10,000,000 must be canceled to the trunk highway fund.

(c) By September 1, 2012, and in every subsequent even-numbered year by September 1, the commissioner shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over transportation policy and finance. The report must include the balance, as well as details of payments made from and deposits made to the trunk highway emergency relief account since the last report.

Sec. 6. **REPEALER.**

Minnesota Statutes 2008, sections 13.721, subdivision 4; and 221.0355, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 10, 11, 12, 13, 14, 16, 17, and 18, are repealed.

ARTICLE 11

PUBLIC SAFETY

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	<u>\$(8,043,000)</u>	<u>\$(14,608,000)</u>	<u>\$(22,651,000)</u>
<u>Special Revenue</u>	<u>\$(8,000)</u>	<u>\$2,083,000</u>	<u>\$2,075,000</u>
<u>Total</u>	<u>\$(8,051,000)</u>	<u>\$(12,525,000)</u>	<u>\$(20,576,000)</u>

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 83, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

	<u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>
Sec. 3. <u>SUPREME COURT</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$(479,000)</u>	<u>\$(972,000)</u>

The appropriation reductions for each purpose are specified in the following subdivisions.

Subd. 2. <u>Supreme Court Operations</u>	<u>(339,000)</u>	<u>(688,000)</u>
Subd. 3. <u>Civil Legal Services</u>	<u>(140,000)</u>	<u>(284,000)</u>

Sec. 4. <u>COURT OF APPEALS</u>	<u>\$(107,000)</u>	<u>\$(217,000)</u>
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Sec. 5. <u>TRIAL COURTS</u>	<u>\$(2,732,000)</u>	<u>\$(5,549,000)</u>
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Existing drug courts shall be maintained at their current levels.

Sec. 6. <u>TAX COURT</u>	<u>\$(12,000)</u>	<u>\$(25,000)</u>
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Sec. 7. <u>UNIFORM LAWS COMMISSION</u>	<u>\$-0-</u>	<u>\$(2,000)</u>
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Sec. 8. <u>BOARD ON JUDICIAL STANDARDS</u>	<u>\$(10,000)</u>	<u>\$(14,000)</u>
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Sec. 9. <u>BOARD OF PUBLIC DEFENSE</u>	<u>\$(591,000)</u>	<u>\$(1,302,000)</u>
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Sec. 10. <u>PUBLIC SAFETY</u>		
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Subdivision 1. <u>Total Appropriation</u>	<u>\$(1,038,000)</u>	<u>\$1,517,000</u>
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Appropriations by Fund

<u>General</u>	<u>(1,038,000)</u>	<u>(483,000)</u>
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<u>Special Revenue</u>	<u>-0-</u>	<u>2,000,000</u>
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The appropriation additions or reductions for each purpose are specified in the following subdivisions.

Subd. 2. Emergency Management

(a) <u>State Match</u>	<u>-0-</u>	<u>1,600,000</u>
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This onetime appropriation is to provide a match for FEMA money received for natural disaster assistance payments and is added to appropriations in Laws 2009, chapter 83, article 1, section 10, subdivision 2.

(b) <u>General Reduction</u>	<u>(29,000)</u>	<u>(57,000)</u>
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Subd. 3. <u>Criminal Apprehension</u>	<u>(539,000)</u>	<u>(1,075,000)</u>
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The commissioner may not eliminate or leave open positions for forensic lab scientists in order to balance the department's budget.

Subd. 4. <u>Fire Marshal</u>	<u>-0-</u>	<u>2,000,000</u>
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This onetime appropriation is from the fire safety account in the special revenue fund and is for fire safety purposes as determined by the commissioner with the advice of the Fire Service Advisory Committee.

This appropriation is available until June 30, 2012.

Subd. 5. <u>Gambling and Alcohol Enforcement</u>	(25,000)	(49,000)
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Subd. 6. <u>Office of Justice Programs</u>	(445,000)	(902,000)
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Of the fiscal year 2011 reduction in this subdivision, funding for the following programs must not be reduced by more than 1.5 percent: (1) battered women's shelters and domestic violence programs; (2) general crime victim programs; (3) sexual assault victim programs; and (4) youth intervention programs. This 1.5 percent reduction is in addition to the three percent reduction in Laws 2009, chapter 83, article 1, section 10, subdivision 6.

Sec. 11. <u>PRIVATE DETECTIVE BOARD</u>	<u>\$(2,000)</u>	<u>\$(3,000)</u>
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Sec. 12. <u>HUMAN RIGHTS</u>	<u>\$(59,000)</u>	<u>\$(103,000)</u>
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Sec. 13. <u>CORRECTIONS</u>		
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Subdivision 1. <u>Total Appropriation</u>	<u>\$(3,002,000)</u>	<u>\$(5,920,000)</u>
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The appropriation reductions for each purpose are specified in the following subdivisions.

Subd. 2. <u>Agency-wide Reduction</u>	(2,236,000)	(4,388,000)
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This reduction may be applied agency wide.

No portion of this reduction may come from the elimination of correctional officer positions, offender reentry programs, or discharge planning for mentally ill offenders.

Subd. 3. <u>Community Services</u>	(766,000)	(1,532,000)
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The commissioner must fund the equivalent of 25 percent of state-funded sentencing to service programs. The 25 percent must be calculated based on fiscal year 2010 state-funded sentencing to service expenditures.

Subd. 4. **Transfers**

(a) **MINNCOR.** Notwithstanding Minnesota Statutes, section 241.27, the commissioner of management and budget shall transfer \$574,000 the first year and \$1,170,000 the second year from the Minnesota correctional industries revolving fund to the general fund. These are onetime transfers. These transfers are in addition to those in Laws 2009, chapter 83, article 1, section 14, subdivision 2, paragraph (g).

(b) **Various Special Revenue Accounts.** Notwithstanding any law to the contrary, the commissioner of management and budget shall transfer \$201,000 the first year and \$402,000 the second year

from the Department of Corrections' special revenue accounts to the general fund. These are onetime transfers. The commissioner of corrections shall adjust expenditures to stay within the remaining revenues.

Sec. 14. **SENTENCING GUIDELINES**

\$(11,000)

\$(18,000)

Sec. 15. Minnesota Statutes 2009 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$653,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, paragraph (b), and Laws 2003, First Special Session chapter 9, article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section 20, by the same amount; ~~and~~

(5) to the state airports fund, the amount necessary to restore the amount transferred from the state airports fund under Laws 2008, chapter 363, article 11, section 3, subdivision 5; and

(6) to the fire safety account in the special revenue fund, the amount necessary to restore transfers from the account to the general fund made in Laws 2010.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

Sec. 16. Minnesota Statutes 2008, section 297I.06, subdivision 3, is amended to read:

Subd. 3. **Fire safety account, annual transfers, allocation.** A special account, to be known as the fire safety account, is created in the state treasury. The account consists of the proceeds under subdivisions 1 and 2. \$468,000 in fiscal year 2008, \$4,268,000 in fiscal year 2009, \$9,268,000 in fiscal year 2010, \$5,968,000 in fiscal year 2011, and ~~\$2,268,000~~ \$2,368,000 in each year thereafter is transferred from the fire safety account in the special revenue fund to the general fund to offset the loss of revenue caused by the repeal of the one-half of one percent tax on fire insurance premiums.

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

Sec. 17. Minnesota Statutes 2008, section 611A.32, subdivision 2, is amended to read:

Subd. 2. **Applications.** Any public or private nonprofit agency may apply to the commissioner for a grant to provide emergency shelter services to battered women, support services to domestic abuse victims, or both, to battered women and their children. The application shall be submitted in a form approved by the commissioner by rule adopted under chapter 14, after consultation with the advisory council, and shall include:

(1) a proposal for the provision of emergency shelter services for battered women, support services for domestic abuse victims, or both, for battered women and their children;

(2) a proposed budget;

(3) the agency's overall operating budget, including documentation on the retention of financial reserves and availability of additional funding sources;

~~(3)~~ (4) evidence of an ability to integrate into the proposed program the uniform method of data collection and program evaluation established under sections 611A.33 and 611A.34;

~~(4)~~ (5) evidence of an ability to represent the interests of battered women and domestic abuse victims and their children to local law enforcement agencies and courts, county welfare agencies, and local boards or departments of health;

~~(5)~~ (6) evidence of an ability to do outreach to unserved and underserved populations and to provide culturally and linguistically appropriate services; and

~~(6)~~ (7) any other content the commissioner may require by rule adopted under chapter 14, after considering the recommendations of the advisory council.

Programs which have been approved for grants in prior years may submit materials which indicate changes in items listed in clauses (1) to ~~(6)~~ (7), in order to qualify for renewal funding. Nothing in this subdivision may be construed to require programs to submit complete applications for each year of renewal funding.

Sec. 18. Minnesota Statutes 2008, section 626.8458, subdivision 5, is amended to read:

Subd. 5. **In-service training in police pursuits required.** The chief law enforcement officer of every state and local law enforcement agency shall provide in-service training in emergency vehicle operations and in the conduct of police pursuits to every peace officer and part-time peace officer employed by the agency who the chief law enforcement officer determines may be involved in a police pursuit given the officer's responsibilities. The training shall comply with learning objectives developed and approved by the board and shall consist of at least eight hours of classroom and skills-based training every ~~three~~ four years.

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

Sec. 19. Minnesota Statutes 2008, section 641.12, is amended by adding a subdivision to read:

Subd. 4. **Sentencing to service fees.** (a) A county board may require that an offender who participates in sentencing to service pay a fee.

(b) A county board may assess a fee to entities that receive direct benefit from sentencing to service work crews.

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

Sec. 20. Laws 2009, chapter 83, article 1, section 10, subdivision 4, is amended to read:

Subd. 4. Fire Marshal	8,125,000	8,125,000
	<u>15,025,000</u>	<u>13,725,000</u>

This appropriation is from the fire safety account in the special revenue fund.

Of this amount, ~~\$5,857,000 each~~ \$5,757,000 the first year and \$7,757,000 the second year is are for activities under Minnesota Statutes, section 299F.012, and ~~\$2,268,000 each~~ \$9,268,000 the first year and \$5,968,000 the second year is are for transfer to the general fund under Minnesota Statutes, section 297I.06, subdivision 3.

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

Sec. 21. Laws 2009, chapter 83, article 1, section 11, is amended to read:

Sec. 11. PEACE OFFICER STANDARDS AND TRAINING BOARD (POST)	\$ 4,012,000	\$ 4,012,000
	<u>4,004,000</u>	<u>4,095,000</u>

(a) **Excess Amounts Transferred.** This appropriation is from the peace officer training account in the special revenue fund. Any new receipts credited to that account in the first year in excess of ~~\$4,012,000~~ \$4,004,000 must be transferred and credited to the general fund. Any new receipts credited to that account in the second year in excess of ~~\$4,012,000~~ \$4,095,000 must be transferred and credited to the general fund.

(b) **Peace Officer Training Reimbursements.** ~~\$2,859,000 each the first year and \$2,959,000 the second year~~ is are for reimbursements to local governments for peace officer training costs. The base budget for this activity is \$2,859,000 for fiscal year 2012 and \$2,859,000 for fiscal year 2013.

(c) **Prohibition on Use of Appropriation.** No portion of this appropriation may be used for the purchase of motor vehicles or out-of-state travel that is not directly connected with and necessary to carry out the core functions of the board.

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

Sec. 22. Laws 2009, chapter 83, article 1, section 14, subdivision 2, is amended to read:

Subd. 2. Correctional Institutions	334,341,000	338,199,000
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Appropriations by Fund

General	295,761,000	337,619,000
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Special Revenue	580,000	580,000
Federal	38,000,000	0

\$38,000,000 the first year is from the fiscal stabilization account in the federal fund. This is a onetime appropriation.

The general fund base for this program shall be \$326,085,000 in fiscal year 2012 and \$330,430,000 in fiscal year 2013.

(a) **Treatment Alternatives; Report.** By December 15, 2009, the commissioner must submit an electronic report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance concerning alternative chemical dependency treatment opportunities. The report must identify alternatives that represent best practices in chemical dependency treatment of offenders. The report must contain suggestions for reducing the length of time between offender commitment to the custody of the commissioner and graduation from chemical dependency treatment. To the extent possible, the report shall identify options that will (1) reduce the cost of treatment; (2) expand the number of treatment beds; (3) improve treatment outcomes; and (4) lower the rate of substance abuse relapse and criminal recidivism.

(b) **Challenge Incarceration; Maximum Occupancy.** The commissioner shall work to fill all available challenge incarceration beds for both male and female offenders. If the commissioner fails to fill at least 90 percent of the available challenge incarceration beds by December 1, 2009, the commissioner must submit a report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance by January 15, 2010, explaining what steps the commissioner has taken to fill the beds and why those steps failed to reach the goal established by the legislature.

(c) **Institutional Efficiencies.** The commissioner shall strive for institutional efficiencies and must reduce the fiscal year 2008 average adult facility per diem of \$89.77 by one percent. The base is cut by \$2,850,000 in the first year and \$2,850,000 in the second year to reflect a one percent reduction in the projected adult facility per diem. In reducing the projected adult facility per diem, the commissioner must consider the following:

- (1) cooperating with the state of Wisconsin to obtain economies of scale;
- (2) increasing the bed capacity of the challenge incarceration program;

- (3) increasing the number of nonviolent drug offenders who are granted conditional release under Minnesota Statutes, section 244.055;
- (4) increasing the use of compassionate release or less costly detention alternatives for elderly and infirm offenders;
- (5) discontinuing the department's practice of annually assigning a warden to serve as a legislative liaison during the legislative session;
- (6) consolidating staff from correctional institutions in geographical proximity to each other to achieve efficiencies and cost savings, including wardens, deputy wardens, and human resources, technology, and employee development personnel;
- (7) consolidating the department's human resources, technology, and employee development functions in a centralized location;
- (8) implementing corrections best practices; and
- (9) implementing cost-saving measures used by other states and the federal government.

The commissioner must not eliminate correctional officer positions or implement any other measure that will jeopardize public safety to achieve the mandated cost savings. ~~The commissioner also must not eliminate treatment beds to achieve the mandated cost savings.~~

(d) **Per Diem Reduction.** If the commissioner fails to reduce the per diem by one percent, the commissioner must:

- (1) reduce the funding for operations support by the amount of unrealized savings; and
- (2) submit a report by February 15, 2010, to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance that contains descriptions of what efforts the commissioner made to reduce the per diem, explanations for why those steps failed to reduce the per diem by one percent, proposed legislative options that would assist the commissioner in reducing the adult facility per diem, and descriptions of the specific actions the commissioner took to reduce funding in operations support.

If the commissioner reduces the per diem by more than one percent, the commissioner must use the savings to provide treatment to offenders.

~~(e) **Reductions to Certain Programming Prohibited.** When allocating reductions in services and programming under this appropriation, the commissioner may not make reductions to inmate educational programs, chemical dependency programs, or reentry programs.~~

~~(f)~~ **(e) Drug Court Bed Savings.** The commissioner must consider the bed impact savings of drug courts in formulating its prison bed projections.

~~(g)~~ **(f) Transfer.** Notwithstanding Minnesota Statutes, section 241.27, the commissioner of finance shall transfer \$1,000,000 the first year and \$1,000,000 the second year from the Minnesota Correctional Industries revolving fund to the general fund.

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

Sec. 23. **PROPOSED SENTENCING GUIDELINES' CHANGES DELAYED.**

The proposed changes to the sentencing guidelines relating to the crimes of solicitation, inducement, and promotion of prostitution and sex trafficking, and riot described on pages 8 to 9 and Appendix E of the Minnesota Sentencing Guidelines Commission's January 2010 report to the legislature take effect on August 1, 2011.

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

ARTICLE 12

STATE GOVERNMENT

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$(3,545,000)	\$(2,345,000)	\$(5,890,000)
<u>Special Revenue</u>	(19,000)	(29,000)	(48,000)
<u>Total</u>	<u>\$(3,564,000)</u>	<u>\$(2,374,000)</u>	<u>\$(5,938,000)</u>

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "APPROPRIATIONS" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 101, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

	<u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>
Sec. 3. <u>LEGISLATURE</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$(221,000)</u>	<u>\$(1,352,000)</u>
Subd. 2. <u>Senate</u>	-0-	(445,000)
<u>\$205,000 in fiscal year 2010 and \$223,000 in fiscal year 2011 is canceled to the general fund from the senate carryforward account established under Minnesota Statutes, section 16A.281. These are onetime transfers.</u>		
Subd. 3. <u>House of Representatives</u>	-0-	(599,000)
<u>\$395,000 in fiscal year 2010 and \$299,000 in fiscal year 2011 is canceled to the general fund from the house of representatives carryforward account established under Minnesota Statutes, section 16A.281. These are onetime transfers.</u>		
<u>During the biennium ending June 30, 2011, any revenues received by the house of representatives from voluntary donations to support broadcast or print media are appropriated to the house of representatives.</u>		
Subd. 4. <u>Legislative Coordinating Commission</u>	(221,000)	(308,000)
<u>\$154,000 in fiscal year 2011 is canceled to the general fund from the carryforward accounts in the Legislative Coordinating Commission established under Minnesota Statutes, section 16A.281. This is a onetime transfer.</u>		
Sec. 4. <u>GOVERNOR AND LIEUTENANT GOVERNOR</u>	<u>\$(64,000)</u>	<u>\$(146,000)</u>
<u>\$10,000 in fiscal year 2010 and \$32,000 in fiscal year 2011 are transferred from the interagency agreements account in the special revenue fund to the general fund. These are onetime transfers.</u>		
Sec. 5. <u>STATE AUDITOR</u>	<u>\$(32,000)</u>	<u>\$(78,000)</u>
Sec. 6. <u>ATTORNEY GENERAL</u>	<u>\$(436,000)</u>	<u>\$(954,000)</u>
Sec. 7. <u>SECRETARY OF STATE</u>	<u>\$(104,000)</u>	<u>\$(250,000)</u>
Sec. 8. <u>CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD</u>	<u>\$(28,000)</u>	<u>\$(8,000)</u>

The base budget for the Campaign Finance and Public Disclosure Board is \$726,000 in fiscal year 2012 and \$726,000 in fiscal year 2013.

Sec. 9. <u>INVESTMENT BOARD</u>	<u>\$(2,000)</u>	<u>\$(5,000)</u>
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Sec. 10. <u>OFFICE OF ENTERPRISE TECHNOLOGY</u>	<u>\$(111,000)</u>	<u>\$(169,000)</u>
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These reductions are from the enterprise planning and management program.

Sec. 11. <u>ADMINISTRATIVE HEARINGS</u>	<u>\$(8,000)</u>	<u>\$(8,000)</u>
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Sec. 12. <u>ADMINISTRATION</u>	<u>\$-0-</u>	<u>\$(419,000)</u>
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(a) These reductions are from the government and citizens services program. \$8,000 of the reductions in fiscal year 2011 is from the transfer to the commissioner of human services for a grant to the Council of Developmental Disabilities. The appropriation for this grant shall be included in the base budget for the commissioner of human services for the biennium beginning July 1, 2011, and is reduced by \$8,000 each year of the biennium. The general fund base budget for the government and citizens services program is \$8,936,000 in fiscal year 2012 and \$8,936,000 in fiscal year 2013.

(b) \$209,000 in fiscal year 2010 and \$31,000 in fiscal year 2011 are transferred from the central stores fund to the general fund. This is a onetime transfer.

(c) The balance in the commuter van program account in the special revenue fund shall be transferred to the general fund on or before June 30, 2010. This is a onetime transfer.

(d) The balance in the archaeology burial account of the special revenue fund shall be transferred to the general fund on or before June 30, 2010. This is a onetime transfer.

(e) \$1,492 in fiscal year 2010 is transferred from the utility rebates account in the special revenue fund to the general fund. This is a onetime transfer.

Sec. 13. <u>CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD</u>	<u>\$(6,000)</u>	<u>\$(11,000)</u>
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Sec. 14. <u>MANAGEMENT AND BUDGET</u>	<u>\$(386,000)</u>	<u>\$(599,000)</u>
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(a) \$300 in fiscal year 2010 and \$300 in fiscal year 2011 are transferred from the combined charities administration account in the special revenue fund to the general fund. These are onetime transfers.

(b) \$8,700 in fiscal year 2010 and \$10,700 in fiscal year 2011 are transferred from the information systems division account in the special revenue fund to the general fund. These are onetime transfers.

Sec. 15. **REVENUE****\$(768,000)****\$5,379,000**

(a) \$6,727,000 in 2011 is for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. \$235,000 of this appropriation is for a training and mentoring initiative for personnel paid from this appropriation. This initiative is expected to result in new general fund revenues of \$26,865,000 for the biennium ending June 30, 2011.

(b) The department must report to the chairs and ranking minority members of the house of representative Ways and Means and senate Finance Committees by March 15, 2011, and January 15, 2012, on the following performance indicators:

(1) the number of corporations noncompliant with the corporate tax system each year and the percentage and dollar amounts of valid tax liabilities collected;

(2) the number of businesses noncompliant with the sales and use tax system and the percentage and dollar amount of the valid tax liabilities collected; and

(3) the number of individual noncompliant cases resolved and the percentage and dollar amount of valid tax liabilities collected.

(c) The reports must also identify base-level expenditures and staff positions related to compliance and audit activities, including baseline information as of January 1, 2009. The information must be provided at the budget activity level.

Sec. 16. **RACING COMMISSION****\$(19,000)****\$(29,000)**

\$19,000 in fiscal year 2010 and \$29,000 in fiscal year 2011 are transferred from the racing and card playing regulation accounts in the special revenue fund to the general fund. These are onetime transfers.

Sec. 17. **AMATEUR SPORTS COMMISSION****\$(4,000)****\$(9,000)**Sec. 18. **COUNCIL ON BLACK MINNESOTANS****\$(5,000)****\$(9,000)**Sec. 19. **COUNCIL ON CHICANO/LATINO AFFAIRS****\$(6,000)****\$(9,000)**Sec. 20. **COUNCIL ON ASIAN-PACIFIC MINNESOTANS****\$(5,000)****\$(8,000)**Sec. 21. **INDIAN AFFAIRS COUNCIL****\$(9,000)****\$(14,000)**Sec. 22. **GENERAL CONTINGENT ACCOUNTS****\$(750,000)****\$-0-**

This reduction is from the appropriation for potential state matching requirements under the American Reinvestment and Recovery Act of 2009.

Sec. 23. Minnesota Statutes 2008, section 4.51, is amended to read:

4.51 EXPENSES OF GOVERNOR-ELECT.

Subdivision 1. **Definitions.** This section applies after a state general election in which a person who is not the current governor is elected to take office as the next governor. The commissioner of administration must request a transfer from the general fund contingent account of an amount equal to 1.5 percent of the amount appropriated for operation of the Office of the Governor and Lieutenant Governor for the current fiscal year. This request is subject to the review and advice of the Legislative Advisory Commission pursuant to section 3.30. If the transfer is approved, the commissioner of administration must make this amount available to the governor-elect before he or she takes office. The commissioner must provide office space for the governor-elect and for any employees the governor-elect hires.—(a) "Governor-elect" means the person who is not currently governor and is the apparent successful candidate for the office of governor following a general election.

(b) "Commissioner" means the commissioner of the Department of Management and Budget.

Subd. 2. **Transition expenses.** In the fiscal year of a gubernatorial election and subject to availability of funds, the commissioner shall transfer up to \$162,000 from the general contingent account in the general fund to the Department of Management and Budget. This transfer is subject to the review and advice of the Legislative Advisory Commission pursuant to section 3.30. In consultation with the governor-elect, the commissioner shall use the transferred funds to pay expenses of the governor-elect associated with preparing for the assumption of official duties as governor. The commissioner may use the transferred funds for expenses necessary and prudent for establishment of a transition office prior to the election and for dissolution of the office if the incumbent governor is reelected or after the inauguration of a new governor. Expenses of the governor-elect may include suitable office space and equipment, communications and technology support, consulting services, compensation and travel costs, and other reasonable expenses. Compensation rates for temporary employees hired to support the governor-elect and rates paid for consulting services for the governor-elect shall be determined by the governor-elect.

Subd. 3. **Unused funds.** No new obligations shall be incurred for expenses of the governor-elect after the date of the inauguration. By March 31 of the year of the inauguration, the commissioner shall return to the general contingent account any funds transferred under this section that the commissioner determines are not needed to pay expenses of the governor-elect.

Sec. 24. Minnesota Statutes 2009 Supplement, section 16A.82, is amended to read:

16A.82 TECHNOLOGY LEASE-PURCHASE APPROPRIATION.

\$3,548,000 in fiscal year 2010; \$3,546,000 in fiscal year 2011; and \$10,054,000 in each fiscal year 2012 through 2019 The following amounts are appropriated from the general fund to the commissioner to make payments under a lease-purchase agreement as defined in section 16A.81 for replacement of the state's accounting and procurement systems, provided that the state is not obligated to continue such appropriation of funds or to make lease payments in any future fiscal year.

<u>Fiscal year 2010</u>	<u>\$2,828,038</u>
<u>Fiscal year 2011</u>	<u>\$3,063,950</u>
<u>Fiscal year 2012</u>	<u>\$8,967,850</u>
<u>Fiscal year 2013</u>	<u>\$8,968,950</u>

<u>Fiscal year 2014</u>	<u>\$8,970,850</u>
<u>Fiscal year 2015</u>	<u>\$8,971,150</u>
<u>Fiscal year 2016</u>	<u>\$8,966,450</u>
<u>Fiscal year 2017</u>	<u>\$8,967,500</u>
<u>Fiscal year 2018</u>	<u>\$8,970,750</u>
<u>Fiscal year 2019</u>	<u>\$8,968,500</u>

Of these appropriations, up to \$2,000 per year may be used to pay the annual trustee fees for the lease-purchase agreements authorized in this section and section 270C.145. Any unexpended portions of this appropriation cancel to the general fund at the close of each biennium. This section expires June 30, ~~2020~~ 2019.

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

Sec. 25. Minnesota Statutes 2008, section 16B.04, subdivision 2, is amended to read:

Subd. 2. **Powers and duties, generally.** Subject to other provisions of this chapter, the commissioner is authorized to:

- (1) supervise, control, review, and approve all state contracts and purchasing;
- (2) provide agencies with supplies and equipment and operate all central store or supply rooms serving more than one agency;
- (3) investigate and study the management and organization of agencies, and reorganize them when necessary to ensure their effective and efficient operation;
- (4) manage and control state property, real and personal;
- (5) maintain and operate all state buildings, as described in section 16B.24, subdivision 1;
- (6) supervise, control, review, and approve all capital improvements to state buildings and the capitol building and grounds;
- (7) provide central duplicating, printing, and mail facilities;
- (8) oversee publication of official documents and provide for their sale;
- (9) manage and operate parking facilities for state employees and a central motor pool for travel on state business;
- (10) provide rental space within the capitol complex for a private day care center for children of state employees. The commissioner shall contract for services as provided in this chapter; ~~and~~
- (11) settle state employee workers' compensation claims; and
- (12) operate a state recycling center.

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

Sec. 26. Minnesota Statutes 2008, section 16B.48, subdivision 2, is amended to read:

Subd. 2. **Purpose of funds.** Money in the state treasury credited to the general services revolving fund and money that is deposited in the fund is appropriated annually to the commissioner for the following purposes:

- (1) to operate a central store and equipment service;
- (2) to operate the central mailing service, including purchasing postage and related items and refunding postage deposits;
- (3) to operate a documents service as prescribed by section 16B.51;
- (4) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;
- (5) to operate a materials handling service, including interagency mail and product delivery, solid waste removal, courier service, equipment rental, and vehicle and equipment maintenance;
- (6) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts;
- (7) to operate a records center and provide micrographics products and services; ~~and~~
- (8) to perform services for any other agency. Money may be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services and other services for the maintenance, operation, and upkeep of buildings and offices of the state government; and
- (9) to operate a state recycling center.

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

Sec. 27. Minnesota Statutes 2008, section 115A.15, subdivision 6, is amended to read:

Subd. 6. **Use of funds.** ~~All funds appropriated by the state for the resource recovery program, all revenues resulting from the sale of recyclable and reusable commodities made available for sale as a result of the resource recovery program, and all reimbursements to the commissioner of expenses incurred by the commissioner in developing and administering resource recovery systems for state agencies, governmental units, and nonprofit organizations must be deposited in the general fund. The commissioner shall determine the waste disposal cost savings associated with recycling and reuse activities. will be used by the service provider to offset the cost of the recycling.~~

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 28. Minnesota Statutes 2009 Supplement, section 270C.145, is amended to read:

270C.145 TECHNOLOGY LEASE-PURCHASE APPROPRIATION.

~~\$855,000 in fiscal year 2010; \$853,000 in fiscal year 2011; and \$2,519,000 in each fiscal year 2012 through 2019 is~~ The following amounts are appropriated from the general fund to the commissioner to make payments under a lease-purchase agreement as defined in section 16A.81 for completing the purchase and development of an integrated tax software package; provided that the state is not obligated to continue the appropriation of funds or to make lease payments in any future fiscal year.

<u>Fiscal year 2010</u>	<u>\$670,213</u>
<u>Fiscal year 2011</u>	<u>\$748,550</u>
<u>Fiscal year 2012</u>	<u>\$2,250,150</u>
<u>Fiscal year 2013</u>	<u>\$2,251,550</u>
<u>Fiscal year 2014</u>	<u>\$2,250,350</u>
<u>Fiscal year 2015</u>	<u>\$2,251,550</u>
<u>Fiscal year 2016</u>	<u>\$2,249,950</u>
<u>Fiscal year 2017</u>	<u>\$2,251,250</u>
<u>Fiscal year 2018</u>	<u>\$2,249,000</u>
<u>Fiscal year 2019</u>	<u>\$2,247,000</u>

Any unexpended portions of this appropriation cancel to the general fund at the close of each biennium. This section expires June 30, 2019.

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

Sec. 29. Minnesota Statutes 2009 Supplement, section 289A.08, subdivision 16, is amended to read:

Subd. 16. **Tax refund or return preparers; electronic filing; paper filing fee imposed.** (a) A "tax refund or return preparer," as defined in section 289A.60, subdivision 13, paragraph (f), who ~~prepared~~ is a tax return preparer for purposes of section 6011(e) of the Internal Revenue Code, and who reasonably expects to prepare more than ~~400~~ ten Minnesota individual income tax returns for the prior calendar year must file all Minnesota individual income tax returns prepared for ~~the current~~ that calendar year by electronic means.

(b) Paragraph (a) does not apply to a return if the taxpayer has indicated on the return that the taxpayer did not want the return filed by electronic means.

(c) For each return that is not filed electronically by a tax refund or return preparer under this subdivision, including returns filed under paragraph (b), a paper filing fee of \$5 is imposed upon the preparer. The fee is collected from the preparer in the same manner as income tax. The fee does not apply to returns that the commissioner requires to be filed in paper form.

EFFECTIVE DATE. This section is effective for tax returns filed after December 31, 2010.

Sec. 30. Minnesota Statutes 2008, section 471.6175, subdivision 4, is amended to read:

Subd. 4. **Account maintenance.** (a) A political subdivision or other public entity may establish a trust account to be held under the supervision of the trust administrator for the purposes of this section. A trust administrator shall establish a separate account for each participating political subdivision or public entity. The trust administrator may charge participating political subdivisions and public entities fees for reasonable administrative costs. The amount of any fees charged by the Public Employees Retirement Association is appropriated to the association from the account. A trust administrator may establish other reasonable terms and conditions for creation and maintenance of these accounts.

(b) The trust administrator must report to the political subdivision or other public entity on the investment returns of invested trust assets and on all investment fees or costs incurred by the trust. The annual rates of return, along with investment and administrative fees and costs for the trust, must be disclosed in the political subdivision's or public entity's annual financial audit in a manner prescribed by the state auditor.

(c) Effective for fiscal years beginning after December 31, ~~2009~~ 2013, the trust administrator must report electronically to the state auditor the portfolio and performance information specified in section 356.219, subdivision 3, in the manner prescribed by the state auditor.

EFFECTIVE DATE. This section is effective retroactively from December 31, 2009.

Sec. 31. **ADDITIONAL OPERATING BUDGET REDUCTIONS.**

By July 30, 2010, the commissioner of management and budget must allocate a reduction of \$3,000,000 for the fiscal year ending June 30, 2011, to the operating budgets of executive branch state agencies, as defined in Minnesota Statutes, section 16A.011, subdivision 12a. To the extent possible, this reduction must be achieved through estimated savings in expenditures for space, out-of-state travel, fleet management, energy usage in state buildings, contracts for professional or technical services, and through increased employee telecommuting, and through consolidation of information technology functions, or through other operational efficiencies. If expenditure reductions are achieved in dedicated funds other than those established in the state constitution or protected by federal law, the commissioner of management and budget may transfer the amount of the savings to the general fund. Executive branch state agencies must cooperate with the commissioner of management and budget in developing and implementing these reductions. Any amount of the reduction that cannot be achieved through savings in the expenditure types described in this section must be allocated to executive state agency operating budgets by the commissioner. Reductions in fiscal year 2011 must cancel to the general fund and shall be reflected as reductions in agency base budgets for fiscal years 2012 and 2013. The commissioner of management and budget must report to the chairs and ranking minority members of the senate Finance Committee and the house of representatives Ways and Means and Finance Committees regarding the amount of reductions in spending by each agency under this section.

Sec. 32. **HELP AMERICA VOTE ACT.**

(a) If the secretary of state determines that this state is otherwise eligible to receive an additional payment of federal money under the Help America Vote Act, Public Law 107-252, the secretary must certify to the commissioner of management and budget the amount, if any, needed to meet the matching requirement of section 253(b)(5) of the Help America Vote Act. In the certification, the secretary shall specify the portion of the match that should be taken from an unencumbered general fund appropriation to the Office of the Secretary of State not designated for a different purpose. Upon receipt of that certification, or as soon as an unencumbered general fund appropriation becomes available, whichever occurs later, the commissioner must transfer the specified amount to the Help America Vote Act account.

(b) This section expires on June 30, 2011.

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

ARTICLE 13

PROPERTY TAX AIDS AND CREDITS

Section 1. Minnesota Statutes 2009 Supplement, section 273.111, subdivision 9, is amended to read:

Subd. 9. **Additional taxes.** (a) Except as provided in paragraph (b), when real property which is being, or has been valued and assessed under this section no longer qualifies under subdivision 3, the portion no longer qualifying shall be subject to additional taxes, in the amount equal to the difference between the taxes determined in

accordance with subdivision 4, and the amount determined under subdivision 5. Provided, however, that the amount determined under subdivision 5 shall not be greater than it would have been had the actual bona fide sale price of the real property at an arm's-length transaction been used in lieu of the market value determined under subdivision 5. Such additional taxes shall be extended against the property on the tax list for the current year, provided, however, that no interest or penalties shall be levied on such additional taxes if timely paid, and provided further, that such additional taxes shall only be levied with respect to the last three years that the said property has been valued and assessed under this section.

(b) Real property that has been valued and assessed under this section prior to May 29, 2008, and that ceases to qualify under this section after May 28, 2008, and is withdrawn from the program before ~~May 1, 2010~~ August 16, 2010, is not subject to additional taxes under this subdivision or subdivision 3, paragraph (c). If additional taxes have been paid under this subdivision with respect to property described in this paragraph prior to April 3, 2009, the county must repay the property owner in the manner prescribed by the commissioner of revenue.

EFFECTIVE DATE. This section is effective for withdrawals after April 30, 2010.

Sec. 2. Minnesota Statutes 2008, section 273.1384, is amended by adding a subdivision to read:

Subd. 6. **Credit reduction.** In 2011 and each year thereafter, the market value credit reimbursement amount for each taxing jurisdiction determined under this section is reduced by the dollar amount of the reduction in market value credit reimbursements for that taxing jurisdiction in 2010 due to unallotment reductions announced prior to February 28, 2010, under section 16A.152. No taxing jurisdiction's market value credit reimbursements are reduced to less than zero under this subdivision. The commissioner of revenue shall pay the annual market value credit reimbursement amounts, after reduction under this subdivision, to the affected taxing jurisdictions as provided in this section.

EFFECTIVE DATE. This section is effective for taxes payable in 2011 and thereafter.

Sec. 3. Minnesota Statutes 2009 Supplement, section 275.70, subdivision 5, is amended to read:

Subd. 5. **Special levies.** "Special levies" means those portions of ad valorem taxes levied by a local governmental unit for the following purposes or in the following manner:

(1) to pay the costs of the principal and interest on bonded indebtedness or to reimburse for the amount of liquor store revenues used to pay the principal and interest due on municipal liquor store bonds in the year preceding the year for which the levy limit is calculated;

(2) to pay the costs of principal and interest on certificates of indebtedness issued for any corporate purpose except for the following:

(i) tax anticipation or aid anticipation certificates of indebtedness;

(ii) certificates of indebtedness issued under sections 298.28 and 298.282;

(iii) certificates of indebtedness used to fund current expenses or to pay the costs of extraordinary expenditures that result from a public emergency; or

(iv) certificates of indebtedness used to fund an insufficiency in tax receipts or an insufficiency in other revenue sources;

(3) to provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(4) to fund payments made to the Minnesota State Armory Building Commission under section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(5) property taxes approved by voters which are levied against the referendum market value as provided under section 275.61;

(6) to fund matching requirements needed to qualify for federal or state grants or programs to the extent that either (i) the matching requirement exceeds the matching requirement in calendar year 2001, or (ii) it is a new matching requirement that did not exist prior to 2002;

(7) to pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes, in accordance with standards formulated by the Emergency Services Division of the state Department of Public Safety, as allowed by the commissioner of revenue under section 275.74, subdivision 2;

(8) pay amounts required to correct an error in the levy certified to the county auditor by a city or county in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.70 to 275.74 in the preceding levy year;

(9) to pay an abatement under section 469.1815;

(10) to pay any costs attributable to increases in the employer contribution rates under chapter 353, or locally administered pension plans, that are effective after June 30, 2001;

(11) to pay the operating or maintenance costs of a county jail as authorized in section 641.01 or 641.262, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (f), to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the Department of Corrections, or to pay the operating or maintenance costs of a regional jail as authorized in section 641.262. For purposes of this clause, a district court order is not a rule, minimum requirement, minimum standard, or directive of the Department of Corrections. If the county utilizes this special levy, except to pay operating or maintenance costs of a new regional jail facility under sections 641.262 to 641.264 which will not replace an existing jail facility, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71, shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(12) to pay for operation of a lake improvement district, as authorized under section 103B.555. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71 shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(13) to repay a state or federal loan used to fund the direct or indirect required spending by the local government due to a state or federal transportation project or other state or federal capital project. This authority may only be used if the project is not a local government initiative;

(14) to pay for court administration costs as required under section 273.1398, subdivision 4b, less the (i) county's share of transferred fines and fees collected by the district courts in the county for calendar year 2001 and (ii) the aid amount certified to be paid to the county in 2004 under section 273.1398, subdivision 4c; however, for taxes levied to pay for these costs in the year in which the court financing is transferred to the state, the amount under this clause is limited to the amount of aid the county is certified to receive under section 273.1398, subdivision 4a;

(15) to fund a police or firefighters relief association as required under section 69.77 to the extent that the required amount exceeds the amount levied for this purpose in 2001;

(16) for purposes of a storm sewer improvement district under section 444.20;

(17) to pay for the maintenance and support of a city or county society for the prevention of cruelty to animals under section 343.11, but not to exceed in any year \$4,800 or the sum of \$1 per capita based on the county's or city's population as of the most recent federal census, whichever is greater. If the city or county uses this special levy, any amount levied by the city or county in the previous levy year for the purposes specified in this clause and included in the city's or county's previous year's levy limit computed under section 275.71, must be deducted from the levy limit base under section 275.71, subdivision 2, in determining the city's or county's current year levy limit;

(18) for counties, to pay for the increase in their share of health and human service costs caused by reductions in federal health and human services grants effective after September 30, 2007;

(19) for a city, for the costs reasonably and necessarily incurred for securing, maintaining, or demolishing foreclosed or abandoned residential properties, as allowed by the commissioner of revenue under section 275.74, subdivision 2. A city must have either (i) a foreclosure rate of at least 1.4 percent in 2007, or (ii) a foreclosure rate in 2007 in the city or in a zip code area of the city that is at least 50 percent higher than the average foreclosure rate in the metropolitan area, as defined in section 473.121, subdivision 2, to use this special levy. For purposes of this paragraph, "foreclosure rate" means the number of foreclosures, as indicated by sheriff sales records, divided by the number of households in the city in 2007;

(20) for a city, for the unreimbursed costs of redeployed traffic-control agents and lost traffic citation revenue due to the collapse of the Interstate 35W bridge, as certified to the Federal Highway Administration;

(21) to pay costs attributable to wages and benefits for sheriff, police, and fire personnel. If a local governmental unit did not use this special levy in the previous year its levy limit base under section 275.71 shall be reduced by the amount equal to the amount it levied for the purposes specified in this clause in the previous year;

(22) an amount equal to any reductions in the certified aids or credits payable under sections 477A.011 to 477A.014, and section 273.1384, due to unallotment under section 16A.152 or reductions under another provision of law. The amount of the levy allowed under this clause is equal to the amount unallotted or reduced in the calendar year in which the tax is levied unless the unallotment or reduction amount is not known by September 1 of the levy year, and the local government has not adjusted its levy under section 275.065, subdivision 6, or 275.07, subdivision 6, in which case the unallotment or reduction amount may be levied in the following year;

(23) to pay for the difference between one-half of the costs of confining sex offenders undergoing the civil commitment process and any state payments for this purpose pursuant to section 253B.185, subdivision 5;

(24) for a county to pay the costs of the first year of maintaining and operating a new facility or new expansion, either of which contains courts, corrections, dispatch, criminal investigation labs, or other public safety facilities and for which all or a portion of the funding for the site acquisition, building design, site preparation, construction, and related equipment was issued or authorized prior to the imposition of levy limits in 2008. The levy limit base shall then be increased by an amount equal to the new facility's first full year's operating costs as described in this clause; and

(25) for the estimated amount of reduction to credits market value credit reimbursements under section 273.1384 for credits payable in the year in which the levy is payable.

EFFECTIVE DATE. This section is effective for taxes payable in 2011 and thereafter.

Sec. 4. Minnesota Statutes 2009 Supplement, section 477A.011, subdivision 36, is amended to read:

Subd. 36. **City aid base.** (a) Except as otherwise provided in this subdivision, "city aid base" is zero.

(b) The city aid base for any city with a population less than 500 is increased by \$40,000 for aids payable in calendar year 1995 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$40,000 for aids payable in calendar year 1995 only, provided that:

(i) the average total tax capacity rate for taxes payable in 1995 exceeds 200 percent;

(ii) the city portion of the tax capacity rate exceeds 100 percent; and

(iii) its city aid base is less than \$60 per capita.

(c) The city aid base for a city is increased by \$20,000 in 1998 and thereafter and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$20,000 in calendar year 1998 only, provided that:

(i) the city has a population in 1994 of 2,500 or more;

(ii) the city is located in a county, outside of the metropolitan area, which contains a city of the first class;

(iii) the city's net tax capacity used in calculating its 1996 aid under section 477A.013 is less than \$400 per capita; and

(iv) at least four percent of the total net tax capacity, for taxes payable in 1996, of property located in the city is classified as railroad property.

(d) The city aid base for a city is increased by \$200,000 in 1999 and thereafter and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$200,000 in calendar year 1999 only, provided that:

(i) the city was incorporated as a statutory city after December 1, 1993;

(ii) its city aid base does not exceed \$5,600; and

(iii) the city had a population in 1996 of 5,000 or more.

(e) The city aid base for a city is increased by \$150,000 for aids payable in 2000 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$150,000 in calendar year 2000 only, provided that:

(1) the city has a population that is greater than 1,000 and less than 2,500;

(2) its commercial and industrial percentage for aids payable in 1999 is greater than 45 percent; and

(3) the total market value of all commercial and industrial property in the city for assessment year 1999 is at least 15 percent less than the total market value of all commercial and industrial property in the city for assessment year 1998.

(f) The city aid base for a city is increased by \$200,000 in 2000 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$200,000 in calendar year 2000 only, provided that:

- (1) the city had a population in 1997 of 2,500 or more;
- (2) the net tax capacity of the city used in calculating its 1999 aid under section 477A.013 is less than \$650 per capita;
- (3) the pre-1940 housing percentage of the city used in calculating 1999 aid under section 477A.013 is greater than 12 percent;
- (4) the 1999 local government aid of the city under section 477A.013 is less than 20 percent of the amount that the formula aid of the city would have been if the need increase percentage was 100 percent; and
- (5) the city aid base of the city used in calculating aid under section 477A.013 is less than \$7 per capita.

(g) The city aid base for a city is increased by \$102,000 in 2000 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$102,000 in calendar year 2000 only, provided that:

- (1) the city has a population in 1997 of 2,000 or more;
- (2) the net tax capacity of the city used in calculating its 1999 aid under section 477A.013 is less than \$455 per capita;
- (3) the net levy of the city used in calculating 1999 aid under section 477A.013 is greater than \$195 per capita; and
- (4) the 1999 local government aid of the city under section 477A.013 is less than 38 percent of the amount that the formula aid of the city would have been if the need increase percentage was 100 percent.

(h) The city aid base for a city is increased by \$32,000 in 2001 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$32,000 in calendar year 2001 only, provided that:

- (1) the city has a population in 1998 that is greater than 200 but less than 500;
- (2) the city's revenue need used in calculating aids payable in 2000 was greater than \$200 per capita;
- (3) the city net tax capacity for the city used in calculating aids available in 2000 was equal to or less than \$200 per capita;
- (4) the city aid base of the city used in calculating aid under section 477A.013 is less than \$65 per capita; and
- (5) the city's formula aid for aids payable in 2000 was greater than zero.

(i) The city aid base for a city is increased by \$7,200 in 2001 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$7,200 in calendar year 2001 only, provided that:

- (1) the city had a population in 1998 that is greater than 200 but less than 500;
- (2) the city's commercial industrial percentage used in calculating aids payable in 2000 was less than ten percent;
- (3) more than 25 percent of the city's population was 60 years old or older according to the 1990 census;
- (4) the city aid base of the city used in calculating aid under section 477A.013 is less than \$15 per capita; and
- (5) the city's formula aid for aids payable in 2000 was greater than zero.

(j) The city aid base for a city is increased by \$45,000 in 2001 and thereafter and by an additional \$50,000 in calendar years 2002 to 2011, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$45,000 in calendar year 2001 only, and by \$50,000 in calendar year 2002 only, provided that:

- (1) the net tax capacity of the city used in calculating its 2000 aid under section 477A.013 is less than \$810 per capita;
- (2) the population of the city declined more than two percent between 1988 and 1998;
- (3) the net levy of the city used in calculating 2000 aid under section 477A.013 is greater than \$240 per capita; and
- (4) the city received less than \$36 per capita in aid under section 477A.013, subdivision 9, for aids payable in 2000.

(k) The city aid base for a city with a population of 10,000 or more which is located outside of the seven-county metropolitan area is increased in 2002 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (b) or (c), is also increased in calendar year 2002 only, by an amount equal to the lesser of:

(1)(i) the total population of the city, as determined by the United States Bureau of the Census, in the 2000 census, (ii) minus 5,000, (iii) times 60; or

(2) \$2,500,000.

(l) The city aid base is increased by \$50,000 in 2002 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$50,000 in calendar year 2002 only, provided that:

- (1) the city is located in the seven-county metropolitan area;
- (2) its population in 2000 is between 10,000 and 20,000; and
- (3) its commercial industrial percentage, as calculated for city aid payable in 2001, was greater than 25 percent.

(m) The city aid base for a city is increased by \$150,000 in calendar years 2002 to 2011 and by an additional \$75,000 in calendar years 2009 to 2014 and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$150,000 in calendar year 2002 only and by \$75,000 in calendar year 2009 only, provided that:

- (1) the city had a population of at least 3,000 but no more than 4,000 in 1999;
- (2) its home county is located within the seven-county metropolitan area;
- (3) its pre-1940 housing percentage is less than 15 percent; and
- (4) its city net tax capacity per capita for taxes payable in 2000 is less than \$900 per capita.

(n) The city aid base for a city is increased by \$200,000 beginning in calendar year 2003 and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$200,000 in calendar year 2003 only, provided that the city qualified for an increase in homestead and agricultural credit aid under Laws 1995, chapter 264, article 8, section 18.

(o) The city aid base for a city is increased by \$200,000 in 2004 only and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, is also increased by \$200,000 in calendar year 2004 only, if the city is the site of a nuclear dry cask storage facility.

(p) The city aid base for a city is increased by \$10,000 in 2004 and thereafter and the maximum total aid it may receive under section 477A.013, subdivision 9, is also increased by \$10,000 in calendar year 2004 only, if the city was included in a federal major disaster designation issued on April 1, 1998, and its pre-1940 housing stock was decreased by more than 40 percent between 1990 and 2000.

(q) The city aid base for a city is increased by \$30,000 in 2009 and thereafter and the maximum total aid it may receive under section 477A.013, subdivision 9, is also increased by \$25,000 in calendar year 2006 only if the city had a population in 2003 of at least 1,000 and has a state park for which the city provides rescue services and which comprised at least 14 percent of the total geographic area included within the city boundaries in 2000.

(r) The city aid base for a city is increased by \$80,000 in 2009 and thereafter and the minimum and maximum amount of total aid it may receive under section 477A.013, subdivision 9, is also increased by \$80,000 in calendar year 2009 only, if:

(1) as of May 1, 2006, at least 25 percent of the tax capacity of the city is proposed to be placed in trust status as tax-exempt Indian land;

(2) the placement of the land is being challenged administratively or in court; and

(3) due to the challenge, the land proposed to be placed in trust is still on the tax rolls as of May 1, 2006.

(s) The city aid base for a city is increased by \$100,000 in 2007 and thereafter and the minimum and maximum total amount of aid it may receive under this section is also increased in calendar year 2007 only, provided that:

(1) the city has a 2004 estimated population greater than 200 but less than 2,000;

(2) its city net tax capacity for aids payable in 2006 was less than \$300 per capita;

(3) the ratio of its pay 2005 tax levy compared to its city net tax capacity for aids payable in 2006 was greater than 110 percent; and

(4) it is located in a county where at least 15,000 acres of land are classified as tax-exempt Indian reservations according to the 2004 abstract of tax-exempt property.

(t) The city aid base for a city is increased by \$30,000 in 2009 only, and the maximum total aid it may receive under section 477A.013, subdivision 9, is also increased by \$30,000 in calendar year 2009, only if the city had a population in 2005 of less than 3,000 and the city's boundaries as of 2007 were formed by the consolidation of two cities and one township in 2002.

(u) The city aid base for a city is increased by \$100,000 in 2009 and thereafter, and the maximum total aid it may receive under section 477A.013, subdivision 9, is also increased by \$100,000 in calendar year 2009 only, if the city had a city net tax capacity for aids payable in 2007 of less than \$150 per capita and the city experienced flooding on March 14, 2007, that resulted in evacuation of at least 40 homes.

(v) The city aid base for a city is increased by \$100,000 in 2009 to 2013, and the maximum total aid it may receive under section 477A.013, subdivision 9, is also increased by \$100,000 in calendar year 2009 only, if the city:

- (1) is located outside of the Minneapolis-St. Paul standard metropolitan statistical area;
- (2) has a 2005 population greater than 7,000 but less than 8,000; and
- (3) has a 2005 net tax capacity per capita of less than \$500.

(w) The city aid base is increased by \$25,000 in calendar years 2009 to 2013 and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, is increased by \$25,000 in calendar year 2009 only, provided that:

- (1) the city is located in the seven-county metropolitan area;
- (2) its population in 2006 is less than 200; and
- (3) the percentage of its housing stock built before 1940, according to the 2000 United States Census, is greater than 40 percent.

(x) The city aid base is increased by \$90,000 in calendar year 2009 only and the minimum and maximum total amount of aid it may receive under section 477A.013, subdivision 9, is also increased by \$90,000 in calendar year 2009 only, provided that the city is located in the seven-county metropolitan area, has a 2006 population between 5,000 and 7,000 and has a 1997 population of over 7,000.

(y) In calendar year 2010 only, the city aid base for a city is increased by \$225,000 if it was eligible for a \$450,000 payment in calendar year 2008 under Minnesota Statutes 2006, section 477A.011, subdivision 36, paragraph (e), and the second half of the payment under that paragraph in December 2008 was canceled due to the governor's unallotment. The payment under this paragraph is not subject to any aid reductions under section 477A.0133 or any future unallotment of the city aid under section 16A.152.

(z) The city aid base and the maximum total aid the city may receive under section 477A.013, subdivision 9, is increased by \$25,000 in calendar year 2010 only if:

- (1) the city is a first class city in the seven-county metropolitan area with a population below 300,000; and
- (2) the city has made an equivalent grant to its local growers' association to reimburse up to \$1,000 each for membership fees and retail leases for members of the association who farm in and around Dakota County and who incurred crop damage as a result of the hail storm in that area on July 10, 2008.

The payment under this paragraph is not subject to any aid reductions under section 477A.0133 or any future unallotment of the city aid under section 16A.152.

(aa) The city aid base for a city is increased by \$106,964 in 2011 only and the minimum and maximum amount of total aid it may receive under section 477A.013, subdivision 9, is also increased by \$106,964 in calendar year 2011 only, if the city had a population as defined in Minnesota Statutes, section 477A.011, subdivision 3, that was in excess of 1,000 in 2007 and that was less than 1,000 in 2008.

Sec. 5. Minnesota Statutes 2008, section 477A.013, subdivision 9, is amended to read:

Subd. 9. **City aid distribution.** (a) In calendar year 2009 and thereafter, each city shall receive an aid distribution equal to the sum of (1) the city formula aid under subdivision 8, and (2) its city aid base.

(b) For aids payable in ~~2009~~ 2011 only, the total aid in the previous year for any city shall ~~not exceed the sum of~~ (1) 35 percent of the city's net levy for the year prior to the aid distribution, plus (2) its total aid in the previous year mean the amount of aid it was certified to receive for aids payable in 2010 under this section minus the amount of its aid reduction under section 477A.0133. For aids payable in 2012 and thereafter, the total aid in the previous year for any city means the amount of aid it was certified to receive under this section in the previous payable year.

(c) For aids payable in 2010 and thereafter, the total aid for any city shall not exceed the sum of (1) ten percent of the city's net levy for the year prior to the aid distribution plus (2) its total aid in the previous year. For aids payable in 2009 and thereafter, the total aid for any city with a population of 2,500 or more may not be less than its total aid under this section in the previous year minus the lesser of \$10 multiplied by its population, or ten percent of its net levy in the year prior to the aid distribution.

(d) For aids payable in 2010 and thereafter, the total aid for a city with a population less than 2,500 must not be less than the amount it was certified to receive in the previous year minus the lesser of \$10 multiplied by its population, or five percent of its 2003 certified aid amount. For aids payable in 2009 only, the total aid for a city with a population less than 2,500 must not be less than what it received under this section in the previous year unless its total aid in calendar year 2008 was aid under section 477A.011, subdivision 36, paragraph (s), in which case its minimum aid is zero.

(e) A city's aid loss under this section may not exceed \$300,000 in any year in which the total city aid appropriation under section 477A.03, subdivision 2a, is equal or greater than the appropriation under that subdivision in the previous year, unless the city has an adjustment in its city net tax capacity under the process described in section 469.174, subdivision 28.

(f) If a city's net tax capacity used in calculating aid under this section has decreased in any year by more than 25 percent from its net tax capacity in the previous year due to property becoming tax-exempt Indian land, the city's maximum allowed aid increase under paragraph (c) shall be increased by an amount equal to (1) the city's tax rate in the year of the aid calculation, multiplied by (2) the amount of its net tax capacity decrease resulting from the property becoming tax exempt.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2011 and thereafter.

Sec. 6. **[477A.0133] ADDITIONAL 2010 AID AND CREDIT REDUCTIONS.**

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

(b) The "2010 revenue base" for a county is the sum of the county's certified property tax levy for taxes payable in 2010, plus the amount of county program aid under section 477A.0124 that the county was certified to receive in 2010, plus the amount of taconite aids under sections 298.28 and 298.282 that the county was certified to receive in 2010 including any amounts required to be placed in a special fund for distribution in a later year.

(c) The "2010 revenue base" for a statutory or home rule charter city is the sum of the city's certified property tax levy for taxes payable in 2010, plus the amount of local government aid under section 477A.013, subdivision 9, that the city was certified to receive in 2010, plus the amount of taconite aids under sections 298.28 and 298.282 that the city was certified to receive in 2010 including any amounts required to be placed in a special fund for distribution in a later year.

Subd. 2. **2010 reductions; counties and cities.** The commissioner of revenue must compute additional 2010 aid and credit reimbursement reduction amounts for each county and city under this section, after implementing any reduction of county program aid under section 477A.0124, local government aid under section 477A.013, or market value credit reimbursements under section 273.1384, to reflect the reduction of allotments under section 16A.152.

The additional reduction amounts under this section are limited to the sum of the amount of county program aid under section 477A.0124, local government aid under section 477A.013, and market value credit reimbursements under section 273.1384 payable to the county or city in 2010 before the reductions in this section, but after the reductions for unallotments.

The reduction amount under this section is applied first to reduce the amount payable to the county or city in 2010 as market value credit reimbursements under section 273.1384, and then if necessary, to reduce the amount payable as either county program aid under section 477A.0124 in the case of a county, or local government aid under section 477A.013 in the case of a city.

No aid or reimbursement amount is reduced to less than zero under this section.

The additional 2010 aid reduction amount for a county is equal to 1.82767 percent of the county's 2010 revenue base. The additional 2010 aid reduction amount for a city is equal to the lesser of (1) 3.4287 percent of the city's 2010 revenue base or (2) \$28 multiplied by the city's 2008 population.

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

Sec. 7. Minnesota Statutes 2008, section 477A.03, subdivision 2a, is amended to read:

Subd. 2a. **Cities.** For aids payable in ~~2009~~ 2011 and thereafter, the total aid paid under section 477A.013, subdivision 9, is ~~\$526,148,487, subject to adjustment in subdivision 5~~ \$527,100,646.

EFFECTIVE DATE. This section is effective for aids payable in 2011 and thereafter.

Sec. 8. Minnesota Statutes 2008, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) For aids payable in ~~2009~~ 2011 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is ~~\$111,500,000 minus one-half of the total aid amount determined under section 477A.0124, subdivision 5, paragraph (b), subject to adjustment in subdivision 5~~ \$96,395,000. Each calendar year, \$500,000 shall be retained by the commissioner of revenue to make reimbursements to the commissioner of management and budget for payments made under section 611.27. For calendar year 2004, the amount shall be in addition to the payments authorized under section 477A.0124, subdivision 1. For calendar year 2005 and subsequent years, the amount shall be deducted from the appropriation under this paragraph. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

(b) For aids payable in ~~2009~~ 2011 and thereafter, the total aid under section 477A.0124, subdivision 4, is ~~\$116,132,923 minus one half of the total aid amount determined under section 477A.0124, subdivision 5, paragraph (b), subject to adjustment in subdivision 5~~ \$101,309,575. The commissioner of management and budget shall bill the commissioner of revenue for the cost of preparation of local impact notes as required by section 3.987, not to exceed \$207,000 in fiscal year 2004 and thereafter. The commissioner of education shall bill the commissioner of revenue for the cost of preparation of local impact notes for school districts as required by section 3.987, not to exceed \$7,000 in fiscal year 2004 and thereafter. The commissioner of revenue shall deduct the amounts billed under this paragraph from the appropriation under this paragraph. The amounts deducted are appropriated to the commissioner of management and budget and the commissioner of education for the preparation of local impact notes.

EFFECTIVE DATE. This section is effective for aids payable in 2011 and thereafter.

Sec. 9. Laws 2008, chapter 366, article 2, section 12, is amended to read:

Sec. 12. **STUDY OF AIDS TO LOCAL GOVERNMENTS.**

The chairs of the senate and house of representatives committees with jurisdiction over taxes shall each appoint five members to a study group of the tax committees to examine the current system of aids to local governments and make recommendations on improvements to the system. Of the five members appointed by each chair, two must be members of the tax committee, one of whom is a majority party member and one of whom is a minority party member. The remaining members must represent local units of government. The chairs of the divisions of the tax committees having jurisdiction over property taxes shall also be members and shall serve as cochairs of the study group. The study shall include, but not be limited to, consideration of existing disparities in the distribution of local government aid, an analysis of current law need and capacity factors as well as alternative need factors, alternative analytical methods for determining correlations between factors and need, the formula used to calculate aid for small cities, and volatility in the local government aid distribution. The group must report on its specific recommendations to the legislature by December 15, ~~2010~~ 2012.

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

Sec. 10. **REPEALER.**

(a) Minnesota Statutes 2008, section 477A.03, subdivision 5, is repealed.

(b) Laws 2009, chapter 88, article 12, section 21, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective for aids payable in 2011 and thereafter. Paragraph (b) is effective retroactively from July 1, 2009."

Delete the title and insert:

"A bill for an act relating to the financing and operation of state and local government; making supplemental appropriations, reductions in appropriations, and funds transfers for higher education, environment and natural resources, energy and commerce, agriculture, veterans affairs, economic development, transportation, public safety, judiciary, and state government; modifying certain statutory provisions and laws; providing for certain programs; fixing, authorizing, modifying, and limiting fees and assessments; modifying mineral fund provisions; creating certain accounts; modifying calculation of state aids and credits for local government; requiring reports; requiring rulemaking; appropriating money; amending Minnesota Statutes 2008, sections 4.51; 16B.04, subdivision 2; 16B.48, subdivision 2; 80A.46; 115A.15, subdivision 6; 116L.17, subdivision 2; 116U.26; 136A.1701, subdivisions 4, 7; 136A.29, subdivision 9; 136A.69, subdivisions 1, 3, 4; 141.255; 161.04, by adding a subdivision; 273.1384, by

adding a subdivision; 297I.06, subdivision 3; 326B.148, subdivision 1; 471.6175, subdivision 4; 477A.013, subdivision 9; 477A.03, subdivisions 2a, 2b; 611A.32, subdivision 2; 626.8458, subdivision 5; 641.12, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 16A.152, subdivision 2; 16A.82; 45.30, subdivision 6; 115C.08, subdivision 4; 136A.121, subdivision 9; 136F.98, subdivision 1; 154.002; 154.003; 155A.23, by adding a subdivision; 155A.24, subdivision 2, by adding subdivisions; 155A.25; 190.19, subdivision 2a; 270C.145; 273.111, subdivision 9; 275.70, subdivision 5; 289A.08, subdivision 16; 298.294; 477A.011, subdivision 36; Laws 2008, chapter 366, article 2, section 12; Laws 2009, chapter 78, article 1, section 3, subdivision 2; article 7, section 2; Laws 2009, chapter 83, article 1, sections 10, subdivision 4; 11; 14, subdivision 2; Laws 2009, chapter 94, article 3, section 2, subdivision 3; Laws 2009, chapter 95, article 1, sections 3, subdivisions 6, 12, 21; 5, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 477A; repealing Minnesota Statutes 2008, sections 13.721, subdivision 4; 103G.705, subdivision 2; 136A.1701, subdivision 5; 136A.69, subdivision 2; 141.255, subdivision 3; 221.0355, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18; 477A.03, subdivision 5; Laws 2009, chapter 88, article 12, section 21."

We request the adoption of this report and repassage of the bill.

House Conferees: LYNDON CARLSON, ANN LENCZEWSKI, MICHAEL PAYMAR, LOREN SOLBERG and PAT GAROFALO.

Senate Conferees: RICHARD COHEN, THOMAS BAKK, LINDA HIGGINS, JIM VICKERMAN and STEVE MURPHY.

Carlson moved that the report of the Conference Committee on H. F. No. 1671 be adopted and that the bill be repassed as amended by the Conference Committee.

Buesgens moved that the House refuse to adopt the Conference Committee report on H. F. No. 1671, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Buesgens motion and the roll was called. There were 47 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Emmer	Kiffmeyer	Murdock	Severson
Anderson, B.	Dean	Gottwalt	Kohls	Nornes	Shimanski
Anderson, P.	Demmer	Gunther	Liebling	Norton	Smith
Anderson, S.	Dettmer	Hackbarth	Loon	Peppin	Torkelson
Beard	Doepke	Hamilton	Mack	Poppe	Urdahl
Brod	Downey	Holberg	Magnus	Sanders	Westrom
Buesgens	Drazkowski	Hoppe	McFarlane	Scott	Zellers
Cornish	Eastlund	Kelly	McNamara	Seifert	

Those who voted in the negative were:

Anzelc	Bigham	Brynaert	Champion	Dittrich	Falk
Atkins	Bly	Bunn	Davnie	Doty	Faust
Benson	Brown	Carlson	Dill	Eken	Fritz

Gardner	Howes	Lesch	Murphy, M.	Rukavina	Thissen
Garofalo	Huntley	Lieder	Nelson	Ruud	Tillberry
Greiling	Jackson	Lillie	Newton	Sailer	Wagenius
Hansen	Johnson	Loeffler	Obermueller	Scalze	Ward
Hausman	Juhnke	Mahoney	Olin	Sertich	Welti
Haws	Kahn	Mariani	Otremba	Simon	Winkler
Hayden	Kalin	Marquart	Paymar	Slawik	Spk. Kelliher
Hilstrom	Kath	Masin	Pelowski	Slocum	
Hilty	Knuth	Morgan	Persell	Solberg	
Hornstein	Koenen	Morrow	Peterson	Sterner	
Hortman	Laine	Mullery	Reinert	Swails	
Hosch	Lenczewski	Murphy, E.	Rosenthal	Thao	

The motion did not prevail.

The question recurred on the Carlson motion that the report of the Conference Committee on H. F. No. 1671 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

Hilstrom was excused between the hours of 11:10 a.m. and 1:30 p.m.

H. F. No. 1671, A bill for an act relating to the financing and operation of state and local government; appropriating money or reducing appropriations for state government, higher education and economic development, environment and natural resources, activities or programs of Department of Commerce, agriculture, veterans affairs, transportation, public safety, judiciary, Uniform Laws Commission, Private Detective Board, human rights, corrections, Sentencing Guidelines Commission, minority boards, public facilities authority, tourism, humanities, public broadcasting, zoos, science museum, and Housing Finance Agency; modifying loan, grant, and scholarship provisions; funding certain projects for veterans; increasing bond limits; establishing a central system office and governing credit transfers for the Minnesota State Colleges and Universities; requiring bond issues for certain projects; modifying investment disposition of mineral fund; modifying mineral fund payments in lieu of taxes; providing for or modifying certain provisions relating to membership of tourism council and film and TV reimbursement amounts; modifying provisions relating to continuing education for certain licensed occupations, securities transaction exemptions, mortgages, and operation of state government; modifying certain Boards of Barber Examiners and Cosmetology provisions; establishing a new trunk highway emergency relief account; amending provisions related to trunk highway bonding, hazardous materials permits, fire safety account, uses of public safety service fee, grants for emergency shelters, and in-service training for peace officers; authorizing county sentence to service programs to charge fees; changing provisions relating to agriculture and veterans affairs; changing provisions for expenses of governor-elect, disposal of old state-owned buildings, public access to parking spaces, fleet management, and lease purchase agreements; providing for operation of a state recycling center and a state Webmaster for state Web sites; providing for Web access to appropriations information; requiring two-sided printing for state use; requiring standards to enhance public access to state electronic data; providing for zero-based budgeting; creating a commission to reengineer delivery of government services; providing for transfers to Help America Vote Act account; changing and creating funds and accounts; modifying provisions for tax return preparers; requesting proposals for enhancing the state's tax collection process and revenues; modifying calculation of state aids and credits for local government; authorizing and adjusting fees; establishing a pilot project; making technical changes; requiring reports; providing for rulemaking; amending Minnesota Statutes 2008, sections 4.51; 16B.04, subdivision 2; 16B.24, subdivision 3; 16B.48, subdivision 2; 16E.04, subdivision 2; 16E.05, by adding a subdivision; 18G.07; 79.34, subdivision 1; 80A.46; 80A.65, subdivision 1; 97A.061, subdivision 1; 103G.705, subdivision 2; 115A.15, subdivision 6; 116L.17, subdivision 2; 116U.25; 116U.26; 136A.121, subdivision 6; 136A.1701, subdivision 4; 136A.29, subdivision 9; 154.06; 154.065, subdivision 2; 154.07, by adding a subdivision;

154.15, by adding a subdivision; 161.04, by adding a subdivision; 273.1384, by adding a subdivision; 297I.06, subdivision 3; 326B.148, subdivision 1; 403.11, subdivision 1; 471.6175, subdivision 4; 477A.013, subdivision 9; 477A.03, subdivisions 2a, 2b; 477A.12, subdivision 1; 611A.32, subdivisions 1, 2; 626.8458, subdivision 5; 641.12, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 16A.152, subdivision 2; 16A.82; 16E.02, subdivision 1; 45.30, subdivision 6; 136A.121, subdivision 9; 136F.98, subdivision 1; 154.002; 154.003; 155A.23, by adding a subdivision; 155A.24, subdivision 2, by adding subdivisions; 155A.25; 190.19, subdivision 2a; 270C.145; 273.111, subdivision 9; 275.70, subdivision 5; 289A.08, subdivision 16; 298.294; 299A.45, subdivision 1; 357.021, subdivision 7; Laws 2007, chapter 45, article 1, section 3, subdivisions 4, as amended, 5, as amended; Laws 2009, chapter 37, article 2, section 13; Laws 2009, chapter 78, article 1, section 3, subdivision 2; article 7, section 2; Laws 2009, chapter 83, article 1, sections 10, subdivisions 4, 7; 11; 14, subdivision 2; Laws 2009, chapter 94, article 1, section 3, subdivision 5; article 3, section 2, subdivision 3; Laws 2009, chapter 95, article 1, sections 3, subdivisions 6, 21; 5, subdivision 2; Laws 2009, chapter 101, article 1, section 31; proposing coding for new law in Minnesota Statutes, chapters 10; 15B; 16A; 16B; 97A; 136A; 136F; 477A; repealing Minnesota Statutes 2008, sections 13.721, subdivision 4; 136A.127, subdivisions 1, 3, 5, 6, 7, 10, 11; 154.07, subdivision 5; 176.135, subdivision 1b; 221.0355, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18; 477A.03, subdivision 5; Minnesota Statutes 2009 Supplement, sections 135A.61; 136A.121, subdivision 9b; 136A.127, subdivisions 2, 4, 9, 9b, 10a, 14.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 76 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anzelc	Falk	Huntley	Loeffler	Otremba	Slawik
Atkins	Faust	Jackson	Mahoney	Paymar	Slocum
Benson	Fritz	Johnson	Marquart	Pelowski	Solberg
Bigham	Gardner	Kahn	Masin	Persell	Sterner
Brown	Garofalo	Kalin	Morgan	Peterson	Swails
Brynaert	Hansen	Kath	Morrow	Poppe	Tillberry
Bunn	Hausman	Knuth	Mullery	Reinert	Wagenius
Carlson	Haws	Koenen	Murphy, E.	Rosenthal	Ward
Davnie	Hilty	Laine	Murphy, M.	Ruud	Welti
Dill	Hornstein	Lenczewski	Nelson	Sailer	Winkler
Dittrich	Hortman	Lesch	Newton	Scalze	Spk. Kelliher
Doty	Hosch	Lieder	Obermueller	Sertich	
Eken	Howes	Lillie	Olin	Simon	

Those who voted in the negative were:

Abeler	Davids	Greiling	Kohls	Norton	Thissen
Anderson, B.	Dean	Gunther	Liebling	Peppin	Torkelson
Anderson, P.	Demmer	Hackbarth	Loon	Rukavina	Urdahl
Anderson, S.	Dettmer	Hamilton	Mack	Sanders	Westrom
Beard	Doepke	Hayden	Magnus	Scott	Zellers
Bly	Downey	Holberg	Mariani	Seifert	
Brod	Drazkowski	Hoppe	McFarlane	Severson	
Buesgens	Eastlund	Juhnke	McNamara	Shimanski	
Champion	Emmer	Kelly	Murdock	Smith	
Cornish	Gottwalt	Kiffmeyer	Nornes	Thao	

The bill was repassed, as amended by Conference, and its title agreed to.

Sertich moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2360, A bill for an act relating to Special School District No. 1, Minneapolis; providing for two members appointed by Special School District No. 1, Minneapolis, on the Minneapolis redistricting commission; establishing standards.

H. F. No. 2729, A bill for an act relating to local government; permitting certain metropolitan area local governments to impose response time residency requirements upon firefighters.

H. F. No. 2918, A bill for an act relating to food safety; authorizing certain beverage production in basements; directing the commissioner of agriculture to amend Minnesota Rules.

H. F. No. 3259, A bill for an act relating to energy; modifying utility's requirement to post notice of impending disconnection of utility services to a rental building due to landlord's failure to pay for service; amending Minnesota Statutes 2008, section 504B.215, subdivision 3.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2828, A bill for an act relating to real property; clarifying requirements for an instrument intended to secure debt; amending Minnesota Statutes 2008, section 287.03.

H. F. No. 2949, A bill for an act relating to metropolitan government; modifying provisions for the allocation of treatment works and interceptors reserved capacity costs; amending Minnesota Statutes 2008, section 473.517, subdivision 3.

H. F. No. 3027, A bill for an act relating to solid waste; amending mercury testing requirements for certain new incinerator units; amending Minnesota Statutes 2008, section 116.85, subdivision 1a.

H. F. No. 3139, A bill for an act relating to privacy; reinstating authority for release of financial records in response to a subpoena; amending Minnesota Statutes 2009 Supplement, section 13A.02, subdivision 1.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 1780, A bill for an act relating to state government; requiring revisor of statutes to survey recipients of free state publications.

H. F. No. 2988, A bill for an act relating to state government; adding a provision to the Minnesota Data Practices Act on computer data; clarifying state agency use of temporary session cookies on government Web sites; amending Minnesota Statutes 2008, section 13.15, by adding a subdivision.

H. F. No. 3067, A bill for an act relating to economic development; expanding the Minnesota investment fund; removing a restriction on construction mitigation pilot program grants; amending Minnesota Statutes 2008, section 116J.8731, subdivisions 1, 4; Minnesota Statutes 2009 Supplement, section 116J.8731, subdivision 3; Laws 2009, chapter 78, article 1, section 3, subdivision 2.

H. F. No. 3172, A bill for an act relating to education; permitting advertisements within a baseball field.

H. F. No. 3187, A bill for an act relating to civil commitments; providing for oaths or affirmations without notarization and the acceptability of electronic signatures and documents; amending Minnesota Statutes 2008, section 253B.23, by adding a subdivision.

H. F. No. 3336, A bill for an act relating to eminent domain; modifying right of first refusal offers for property obtained with federal transit funding; amending Minnesota Statutes 2008, section 117.226.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1671, A bill for an act relating to the financing and operation of state and local government; appropriating money or reducing appropriations for state government, higher education and economic development, environment and natural resources, activities or programs of Department of Commerce, agriculture, veterans affairs, transportation, public safety, judiciary, Uniform Laws Commission, Private Detective Board, human rights, corrections, Sentencing Guidelines Commission, minority boards, public facilities authority, tourism, humanities, public broadcasting, zoos, science museum, and Housing Finance Agency; modifying loan, grant, and scholarship provisions; funding certain projects for veterans; increasing bond limits; establishing a central system office and governing credit transfers for the Minnesota State Colleges and Universities; requiring bond issues for certain projects; modifying investment disposition of mineral fund; modifying mineral fund payments in lieu of taxes; providing for or modifying certain provisions relating to membership of tourism council and film and TV reimbursement amounts; modifying provisions relating to continuing education for certain licensed occupations, securities transaction exemptions, mortgages, and operation of state government; modifying certain Boards of Barber Examiners and Cosmetology provisions; establishing a new trunk highway emergency relief account;

amending provisions related to trunk highway bonding, hazardous materials permits, fire safety account, uses of public safety service fee, grants for emergency shelters, and in-service training for peace officers; authorizing county sentence to service programs to charge fees; changing provisions relating to agriculture and veterans affairs; changing provisions for expenses of governor-elect, disposal of old state-owned buildings, public access to parking spaces, fleet management, and lease purchase agreements; providing for operation of a state recycling center and a state Webmaster for state Web sites; providing for Web access to appropriations information; requiring two-sided printing for state use; requiring standards to enhance public access to state electronic data; providing for zero-based budgeting; creating a commission to reengineer delivery of government services; providing for transfers to Help America Vote Act account; changing and creating funds and accounts; modifying provisions for tax return preparers; requesting proposals for enhancing the state's tax collection process and revenues; modifying calculation of state aids and credits for local government; authorizing and adjusting fees; establishing a pilot project; making technical changes; requiring reports; providing for rulemaking; amending Minnesota Statutes 2008, sections 4.51; 16B.04, subdivision 2; 16B.24, subdivision 3; 16B.48, subdivision 2; 16E.04, subdivision 2; 16E.05, by adding a subdivision; 18G.07; 79.34, subdivision 1; 80A.46; 80A.65, subdivision 1; 97A.061, subdivision 1; 103G.705, subdivision 2; 115A.15, subdivision 6; 116L.17, subdivision 2; 116U.25; 116U.26; 136A.121, subdivision 6; 136A.1701, subdivision 4; 136A.29, subdivision 9; 154.06; 154.065, subdivision 2; 154.07, by adding a subdivision; 154.15, by adding a subdivision; 161.04, by adding a subdivision; 273.1384, by adding a subdivision; 297I.06, subdivision 3; 326B.148, subdivision 1; 403.11, subdivision 1; 471.6175, subdivision 4; 477A.013, subdivision 9; 477A.03, subdivisions 2a, 2b; 477A.12, subdivision 1; 611A.32, subdivisions 1, 2; 626.8458, subdivision 5; 641.12, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 16A.152, subdivision 2; 16A.82; 16E.02, subdivision 1; 45.30, subdivision 6; 136A.121, subdivision 9; 136F.98, subdivision 1; 154.002; 154.003; 155A.23, by adding a subdivision; 155A.24, subdivision 2, by adding subdivisions; 155A.25; 190.19, subdivision 2a; 270C.145; 273.111, subdivision 9; 275.70, subdivision 5; 289A.08, subdivision 16; 298.294; 299A.45, subdivision 1; 357.021, subdivision 7; Laws 2007, chapter 45, article 1, section 3, subdivisions 4, as amended, 5, as amended; Laws 2009, chapter 37, article 2, section 13; Laws 2009, chapter 78, article 1, section 3, subdivision 2; article 7, section 2; Laws 2009, chapter 83, article 1, sections 10, subdivisions 4, 7; 11; 14, subdivision 2; Laws 2009, chapter 94, article 1, section 3, subdivision 5; article 3, section 2, subdivision 3; Laws 2009, chapter 95, article 1, sections 3, subdivisions 6, 21; 5, subdivision 2; Laws 2009, chapter 101, article 1, section 31; proposing coding for new law in Minnesota Statutes, chapters 10; 15B; 16A; 16B; 97A; 136A; 136F; 477A; repealing Minnesota Statutes 2008, sections 13.721, subdivision 4; 136A.127, subdivisions 1, 3, 5, 6, 7, 10, 11; 154.07, subdivision 5; 176.135, subdivision 1b; 221.0355, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18; 477A.03, subdivision 5; Minnesota Statutes 2009 Supplement, sections 135A.61; 136A.121, subdivision 9b; 136A.127, subdivisions 2, 4, 9, 9b, 10a, 14.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

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

S. F. Nos. 838, 1524, 2267, 2562, 2719, 3009, 2690, 2700, 2852, 2855, 2933, 2935, 2322, 2705, 2713, 2885, 2908, 2990, 3147, 1605, 2341, 2755, 2840, 2844, 2944, 2152, 2226, 2641, 2879, 2957, 3128, 2625, 2720, 2826, 3040, 3081 and 3124.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 838, A bill for an act relating to domestic abuse; authorizing courts to include pets and companion animals in protective orders; amending Minnesota Statutes 2008, section 518B.01, subdivisions 6, 7.

The bill was read for the first time.

Paymar moved that S. F. No. 838 and H. F. No. 1396, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1524, A bill for an act relating to labor and industry; modifying municipal enforcement provisions of State Building Code; amending Minnesota Statutes 2008, sections 326B.106, subdivision 9; 326B.16.

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

S. F. No. 2267, A bill for an act relating to occupations and professions; modifying terms relating to firefighters; amending Minnesota Statutes 2009 Supplement, section 299N.03, subdivision 5.

The bill was read for the first time.

Atkins moved that S. F. No. 2267 and H. F. No. 2701, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2562, A bill for an act relating to child support enforcement; updating provisions on access to certain information; authorizing certain actions by a public authority; requiring a notice; imposing certain duties; providing for survival of certain child support judgments; amending Minnesota Statutes 2008, sections 256.978, subdivision 2; 518A.46, subdivision 5, by adding a subdivision; 541.04; 548.09, subdivision 1; repealing Minnesota Statutes 2008, section 548.092.

The bill was read for the first time.

Hayden moved that S. F. No. 2562 and H. F. No. 3299, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2719, A bill for an act relating to economic development; expanding a grant program for public infrastructure for bioscience businesses to include clean energy businesses; amending Minnesota Statutes 2008, section 116J.435, as amended.

The bill was read for the first time and referred to the Higher Education and Workforce Development Finance and Policy Division.

S. F. No. 3009, A bill for an act relating to eliminating health disparities; requiring the commissioner of health to develop new categories for collecting granular data that accurately captures race, ethnicity, primary language, and socioeconomic status.

The bill was read for the first time.

Murphy, E., moved that S. F. No. 3009 and H. F. No. 3630, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2690, A bill for an act relating to children; modifying driver's license requirements for foster children; requiring in-court reviews; expanding the definition of parent for child protection proceedings; amending Minnesota Statutes 2008, sections 171.04, subdivision 1; 171.05, subdivision 2; 171.055, subdivision 1; 245C.33, subdivision 4; 260C.007, subdivision 4; 260C.163, subdivisions 1, 2; 260C.193, subdivision 6; 260C.201, subdivision 10; 260C.317, subdivision 3; 260C.451; Minnesota Statutes 2009 Supplement, sections 260C.007, subdivision 25; 260C.150, subdivision 3; 260C.178, subdivision 3; 260C.201, subdivision 11; 260C.212, subdivision 7; 260C.331, subdivision 1; 260C.456.

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

S. F. No. 2700, A bill for an act relating to health; regulating participating provider agreements between health plan companies and health care providers; amending Minnesota Statutes 2008, sections 62Q.735, by adding subdivisions; 62Q.75, subdivision 3, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62Q.

The bill was read for the first time.

Murphy, E., moved that S. F. No. 2700 and H. F. No. 3042, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2852, A bill for an act relating to health; providing administrative simplification by adding a health care clearinghouse for health care provider transactions; amending Minnesota Statutes 2008, sections 62J.51, by adding subdivisions; 62J.536, subdivisions 1, 2b, by adding a subdivision.

The bill was read for the first time.

Thissen moved that S. F. No. 2852 and H. F. No. 2927, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2855, A bill for an act relating to human services; making changes to children and family services technical and policy provisions; Minnesota family investment program and adult supports; early childhood development; child welfare; amending Minnesota Statutes 2008, sections 119B.189, by adding subdivisions; 119B.19, subdivision 7; 119B.21, as amended; 245A.04, subdivision 11; 256.01, by adding a subdivision; 256.046, subdivision 1; 256.82, subdivision 3; 256.98, subdivision 8; 256J.24, subdivisions 3, 5a, 10; 256J.37, subdivision 3a; 256J.425, subdivision 5; 260C.007, subdivision 4; 260C.193, subdivision 6; 260C.201, subdivision 10; 260C.451; 626.556, subdivision 10; Minnesota Statutes 2009 Supplement, sections 256D.44, subdivision 3; 256J.24,

subdivision 5; 256J.425, subdivision 2; 256J.521, subdivision 2; 256J.561, subdivision 3; 256J.66, subdivision 1; 256J.95, subdivisions 3, 11; 260.012; 260C.212, subdivision 7; repealing Minnesota Statutes 2008, section 256.82, subdivision 5; Minnesota Rules, part 9560.0660.

The bill was read for the first time.

Hayden moved that S. F. No. 2855 and H. F. No. 3088, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2933, A bill for an act relating to human services; making changes to continuing care policy and technical provisions; amending Minnesota Statutes 2008, sections 245A.03, by adding a subdivision; 626.557, subdivision 9a; Minnesota Statutes 2009 Supplement, sections 144.0724, subdivision 11; 256B.0625, subdivision 19c; 256B.0651, by adding a subdivision; 256B.0652, subdivision 6; 256B.0659, subdivisions 4, 10, 11, 13, 21, 30, by adding a subdivision; 256B.0911, subdivision 2b.

The bill was read for the first time.

Hosch moved that S. F. No. 2933 and H. F. No. 3234, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2935, A bill for an act relating to human services; making changes to licensing provisions; modifying background study requirements, disqualifications, and data classification; amending Minnesota Statutes 2008, sections 245A.07, subdivision 2a; 245A.30; 245B.05, subdivision 7; 245C.02, subdivision 18; Minnesota Statutes 2009 Supplement, sections 245A.03, subdivision 2; 245A.04, subdivisions 5, 7; 245A.07, subdivisions 1, 3; 245A.144; 245A.50, subdivision 5; 245C.15, subdivision 2; 245C.20; 245C.22, subdivision 7.

The bill was read for the first time.

Abeler moved that S. F. No. 2935 and H. F. No. 3239, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2322, A bill for an act relating to commerce; regulating business screening services; providing for the correction and deletion of certain criminal records; amending Minnesota Statutes 2008, section 332.70, subdivisions 1, 2, 3, 4.

The bill was read for the first time.

Holberg moved that S. F. No. 2322 and H. F. No. 3023, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2705, A bill for an act relating to business organizations; regulating the organization and operation of business corporations, nonprofit corporations, and limited liability companies; providing for consistent law relating to registered agents and offices of business entities; repealing the prohibition against certain business names; amending Minnesota Statutes 2008, sections 5.16, subdivision 1; 222.18, subdivision 1; 302A.011, subdivision 18; 302A.121; 302A.123; 302A.215, subdivision 3; 302A.311; 302A.341, subdivision 2; 302A.402, subdivisions 3, 4; 302A.429, subdivision 2; 302A.435, subdivision 1; 302A.461, subdivision 2; 302A.661, subdivision 1; 303.05, subdivision 1; 303.10; 308A.025; 308A.131, subdivision 1; 308B.115; 317A.011, subdivision 15; 317A.111,

subdivisions 1, 3, 4, by adding a subdivision; 317A.121; 317A.123; 317A.133, subdivisions 1, 2, 3; 317A.181, subdivision 2, by adding a subdivision; 317A.203; 317A.227; 317A.231, subdivisions 1, 4; 317A.237; 317A.239, subdivisions 1, 3; 317A.241, subdivision 2, by adding a subdivision; 317A.255, subdivision 1; 317A.301; 317A.311; 317A.315; 317A.321; 317A.341, subdivision 2; 317A.521, subdivision 9; 317A.613, subdivision 2; 317A.661; 317A.721, subdivisions 1, 3; 321.0114; 321.0905; 322B.03, subdivision 29; 322B.13; 322B.135; 322B.34, subdivision 1; 322B.373, subdivision 2; 322B.676; 322B.686, subdivision 2; 322B.77, subdivision 1; 322B.935; 323A.1001; 323A.1102; 333.20, subdivision 1; 333.22, subdivisions 1, 3; Minnesota Statutes 2009 Supplement, sections 5.15; 5.34; 5.35; 303.06, subdivision 2; 321.0809; 321.0902; 321.0906; Laws 2008, chapter 233, article 3, section 8; proposing coding for new law in Minnesota Statutes, chapter 5; repealing Minnesota Statutes 2008, section 333.17.

The bill was read for the first time.

Olin moved that S. F. No. 2705 and H. F. No. 3025, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2713, A bill for an act relating to human services; amending provisions relating to judicial holds in commitment cases; amending Minnesota Statutes 2008, section 253B.07, subdivision 2b.

The bill was read for the first time.

Morrow moved that S. F. No. 2713 and H. F. No. 3300, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2885, A bill for an act relating to taxation; specifying duties of assessors; amending Minnesota Statutes 2008, sections 82B.035, subdivision 2; 270.41, subdivision 5; 273.061, subdivisions 7, 8.

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

S. F. No. 2908, A bill for an act relating to human services; making changes to the State-County Results, Accountability, and Service Delivery Redesign Act; amending Minnesota Statutes 2009 Supplement, sections 402A.01; 402A.10, subdivision 5; 402A.15; 402A.18; 402A.20; proposing coding for new law in Minnesota Statutes, chapter 402A; repealing Minnesota Statutes 2009 Supplement, sections 402A.30; 402A.45.

The bill was read for the first time.

Thissen moved that S. F. No. 2908 and H. F. No. 3055, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2990, A bill for an act relating to public safety; providing a criminal penalty for intentionally rendering a service animal unable to perform its duties; requiring that offenders who are convicted of harming service animals pay restitution; clarifying that civil remedies are not precluded by the criminal penalty for harming service animals; prohibiting possession of certain devices or substances that enhance an animal's ability to fight; amending Minnesota Statutes 2008, sections 343.21, subdivisions 8a, 9, by adding a subdivision; 343.31, subdivision 1.

The bill was read for the first time.

Greiling moved that S. F. No. 2990 and H. F. No. 3312, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3147, A bill for an act relating to health occupation; requiring license revocation for chiropractors convicted of a felony-level criminal sexual conduct offense; amending Minnesota Statutes 2008, sections 148.10, by adding a subdivision; 364.09.

The bill was read for the first time.

Jackson moved that S. F. No. 3147 and H. F. No. 3634, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1605, A bill for an act relating to municipal planning; authorizing amendments to a municipal comprehensive plan for affordable housing to be approved by a simple majority; amending Minnesota Statutes 2008, section 462.355, subdivision 3.

The bill was read for the first time.

Hornstein moved that S. F. No. 1605 and H. F. No. 1828, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2341, A bill for an act relating to veterans; eliminating a residency requirement for purposes of eligibility for higher educational benefits for the surviving spouse and children of a deceased veteran who dies as a result of military service; amending Minnesota Statutes 2008, section 197.75, subdivision 1.

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

S. F. No. 2755, A bill for an act relating to public safety; clarifying detention placement options for extended jurisdiction juveniles pending revocation hearings; amending Minnesota Statutes 2008, section 260B.130, subdivision 5.

The bill was read for the first time.

Mullery moved that S. F. No. 2755 and H. F. No. 2607, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2840, A bill for an act relating to weights and measures; modifying requirements for petroleum storage tanks; extending an order exempting number 1 diesel fuel from biodiesel requirements; regulating sale of biodiesel on a net volume basis; amending Minnesota Statutes 2008, sections 239.752; 239.79, subdivision 4, by adding a subdivision.

The bill was read for the first time.

Davids moved that S. F. No. 2840 and H. F. No. 3363, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2844, A bill for an act relating to labor and industry; modifying elevator provisions; amending Minnesota Statutes 2008, section 326B.184, subdivision 2; Minnesota Statutes 2009 Supplement, section 326B.163, subdivision 5.

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

S. F. No. 2944, A bill for an act relating to licensing; modifying contractor continuing education requirements; amending Minnesota Statutes 2008, section 326B.821, as amended.

The bill was read for the first time.

Nelson moved that S. F. No. 2944 and H. F. No. 3360, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2152, A bill for an act relating to commerce; regulating the purchase, return, and collection for recycling of lead acid batteries; modifying certain charges; amending Minnesota Statutes 2008, sections 325E.115, subdivision 1; 325E.1151, subdivisions 1, 3, 4.

The bill was read for the first time.

Gardner moved that S. F. No. 2152 and H. F. No. 2402, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2226, A bill for an act relating to elections; prohibiting coercion of a person who is or is considering being a candidate; amending Minnesota Statutes 2008, section 211B.10, subdivision 1.

The bill was read for the first time.

Gardner moved that S. F. No. 2226 and H. F. No. 2510, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2641, A bill for an act relating to *Canis latrans*; providing a coyote conflict management option for counties or towns; proposing coding for new law in Minnesota Statutes, chapter 348.

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

S. F. No. 2879, A bill for an act relating to insurance; modifying provisions related to the Minnesota Comprehensive Health Association; amending Minnesota Statutes 2008, sections 62E.11, subdivision 11; 62E.12.

The bill was read for the first time.

Davids moved that S. F. No. 2879 and H. F. No. 3210, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2957, A bill for an act relating to local government; authorizing Hennepin County to purchase energy under forward pricing mechanisms; proposing coding for new law in Minnesota Statutes, chapter 383B.

The bill was read for the first time.

Nelson moved that S. F. No. 2957 and H. F. No. 3359, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3128, A bill for an act relating to residential construction; providing for lead poisoning prevention; amending the State Building Code; modifying licensing requirements; amending Minnesota Statutes 2008, sections 326B.106, by adding subdivisions; 326B.805, by adding a subdivision.

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

S. F. No. 2625, A bill for an act relating to veterans; expanding eligibility of disabled veterans for a free annual state park permit; amending Minnesota Statutes 2009 Supplement, section 85.053, subdivision 10.

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

S. F. No. 2720, A bill for an act relating to local government; authorizing local governments to finance energy improvements for property owners to install energy efficient or renewable energy improvements; providing for repayment as a special assessment; authorizing issuance of revenue bonds; amending Minnesota Statutes 2008, sections 429.021, subdivision 1; 429.101, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 216C.

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

S. F. No. 2826, A bill for an act relating to Hennepin County; authorizing business entity participation for certain energy-related purposes; proposing coding for new law in Minnesota Statutes, chapter 383B.

The bill was read for the first time.

Davnie moved that S. F. No. 2826 and H. F. No. 3292, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3040, A bill for an act relating to metropolitan government; authorizing the cities of Minneapolis and St. Paul to expand certain residential energy conservation programs to include commercial and industrial property; amending Laws 1981, chapter 222, sections 1; 2; 3; 4, subdivision 2; repealing Laws 1981, chapter 222, section 7.

The bill was read for the first time.

Johnson moved that S. F. No. 3040 and H. F. No. 3499, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3081, A bill for an act relating to energy; modifying community-based energy development program; amending Minnesota Statutes 2008, section 216B.1612, subdivisions 3, 5, 7, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 216B.1612, subdivision 2.

The bill was read for the first time.

Welti moved that S. F. No. 3081 and H. F. No. 3641, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3124, A bill for an act relating to energy; expanding small city energy efficiency grant program to include commercial buildings; amending Laws 2009, chapter 138, article 2, section 4.

The bill was read for the first time.

Sailer moved that S. F. No. 3124 and H. F. No. 3473, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

FISCAL CALENDAR

Pursuant to rule 1.22, Lenczewski requested immediate consideration of H. F. No. 2695.

H. F. No. 2695 was reported to the House.

Lenczewski moved to amend H. F. No. 2695, the second engrossment, as follows:

Page 3, line 18, delete the period and insert a semicolon

Page 6, line 10, delete "taxpayers" and insert "investors"

Page 8, line 11, delete "if" and insert "as"

Page 8, line 28, delete "(d)" and insert "(g)"

Page 8, line 30, delete "(d)" and insert "(g)"

Page 8, line 32, delete "an"

Page 9, line 3, delete "(d)" and insert "(g)"

Page 9, line 25, after "nonpublic data" insert a comma

Page 11, line 4, delete "commissions" and insert "committees"

Page 14, line 10, before "that" insert "require"

Page 15, line 9, delete "6" and insert "7"

Page 20, line 25, delete everything after "after"

Page 20, line 26, delete "investment and" and delete "have" and insert "has"

Page 46, line 18, delete "2012" and insert "2011"

Page 48, line 32, delete "to exercising the authority provided in this subdivision" and insert "of developing a hotel as part of the project"

Page 49, line 13, delete "35, 36, 37, 38 or 43" and insert "49, 50, 51, 52 or 62, paragraph (b)"

Page 55, line 7, delete "28.121" and insert "28.757"

Page 56, line 20, delete "0.637" and insert "0.796"

Page 57, line 23, delete "and"

Page 57, line 25, delete the period and insert a semicolon

Page 57, after line 25, insert:

"(45) 0.318 cent per ton must be paid to the city of Crane Lake for sanitary sewer lines and adjacent development near County State-Aid Highway 24; and

(46) 0.159 cent per ton must be paid to the city of Chisholm to rehabilitate historic wall infrastructure around the athletic complex."

The motion prevailed and the amendment was adopted.

Lenczewski moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 6, line 9, delete "\$2,500,000" and insert "\$11,000,000"

Page 6, line 11, delete "\$5,000,000" and insert "\$12,000,000"

Page 6, line 13, delete "2016" and insert "2015"

Page 12, line 6, delete "2015" and insert "2014"

Page 12, line 7, delete "2017" and insert "2016"

Page 12, line 8, delete "2019" and insert "2018"

Page 12, line 9, delete "2020" and insert "2019"

Page 12, line 10, delete "2019" and insert "2018"

Page 15, after line 15, insert:

"Sec. 5. Minnesota Statutes 2008, section 272.02, subdivision 42, is amended to read:

Subd. 42. **Property leased to school districts schools.** (a) Property that is leased or rented to a school district is exempt from taxation if it meets the following requirements:

(1) the lease must be for a period of at least 12 consecutive months;

(2) the terms of the lease must require the school district to pay a nominal consideration for use of the building;

(3) the school district must use the property to provide direct instruction in any grade from kindergarten through grade 12; special education for disabled children; adult basic education as described in section 124D.52; preschool and early childhood family education; or community education programs, including provision of administrative services directly related to the educational program at that site; and

(4) the lease must provide that the school district has the exclusive use of the property during the lease period.

(b) Property that is leased or rented to a charter school formed and operated under section 124D.10 is exempt from taxation if it meets all of the following requirements:

(1) the lease is for a period of at least 12 consecutive months;

(2) the property is owned by (i) a nonprofit corporation or association exempt from federal income tax under section 501(c)(2) or (3) of the Internal Revenue Code; (ii) a public school district, college, or university; (iii) a private academy, college, university, or seminary of learning; (iv) a church; or (v) the state or a political subdivision of the state;

(3) the charter school must use the property to provide (i) direct instruction in any grade from kindergarten through grade 12; (ii) special education for disabled children; or (iii) administrative services directly related to the educational program at that site; and

(4) except for lease provisions that allow for the shared use of the property by (i) the charter school and another public or private school; (ii) the charter school and a church; or (iii) the charter school and the state or a political subdivision of the state, the lease must provide that the charter school has the exclusive right to use the property during the lease period.

EFFECTIVE DATE. This section is effective for assessment year 2010 and thereafter, for taxes payable in 2011 and thereafter."

Page 16, delete subdivision 3 and insert:

"Subd. 3. **Applications; allocations.** (a) To qualify for a credit or grant under this section, the developer of a project must apply to the office before the rehabilitation begins. The application must contain the information and be in the form prescribed by the office. The office may collect a fee for application of up to \$5,000, based on estimated qualified rehabilitation expenses, to offset costs associated with personnel and administrative expenses related to administering the credit and preparing the economic impact report in subdivision 9. Application fees are deposited in the account. The application must indicate if the application is for a credit or a grant in lieu of the credit or a combination of the two and designate the taxpayer qualifying for the credit or the recipient of the grant.

(b) Upon approving an application for credit, the office shall issue allocation certificates that:

(1) verify eligibility for the credit or grant;

(2) state the amount of credit or grant anticipated with the project, with the credit amount equal to 100 percent and the grant amount equal to 90 percent of the federal credit anticipated in the application;

(3) state that the credit or grant allowed may increase or decrease if the federal credit the project receives at the time it is placed in service is different than the amount anticipated at the time the allocation certificate is issued; and

(4) state the fiscal year in which the credit or grant is allocated, and that the taxpayer or grant recipient is entitled to receive the credit or grant at the time the project is placed in service, provided that date is within three calendar years following the issuance of the allocation certificate.

(c) The office, in consultation with the commissioner of revenue, shall determine if the project is eligible for a credit or a grant under this section. Eligibility for the credit is subject to review and audit by the commissioner of revenue.

(d) The federal credit recapture and repayment requirements under section 50 of the Internal Revenue Code do not apply to the credit allowed under this section."

Page 16, after line 8, insert:

"Sec. 7. Minnesota Statutes 2009 Supplement, section 289A.02, subdivision 7, is amended to read:

Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through March 31, ~~2009~~ 18, 2010.

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

Sec. 8. Minnesota Statutes 2009 Supplement, section 290.01, subdivision 19, as amended by Laws 2010, chapter 187, section 1, is amended to read:

Subd. 19. **Net income.** The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating the federal effective dates of changes to the Internal Revenue Code and any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply;

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code; and

(3) the deduction for dividends paid must also be applied in the amount of any undistributed capital gains which the regulated investment company elects to have treated as provided in section 852(b)(3)(D) of the Internal Revenue Code.

The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

The net income of a designated settlement fund as defined in section 468B(d) of the Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through March ~~31, 2009~~ 18, 2010, shall be in effect for taxable years beginning after December 31, 1996. The provisions of the act of January 22, 2010, Public Law 111-126, to accelerate the benefits for charitable cash contributions for the relief of victims of the Haitian earthquake, are effective at the same time it became effective for federal purposes and apply to the subtraction under subdivision 19b, clause (6).

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19 to 19f mean the code in effect for purposes of determining net income for the applicable year.

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

Sec. 9. Minnesota Statutes 2009 Supplement, section 290.01, subdivision 31, is amended to read:

Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through March ~~31, 2009~~ 18, 2010. Internal Revenue Code also includes any uncodified provision in federal law that relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

EFFECTIVE DATE. This section is effective the day following final enactment except that the changes incorporated by federal changes are effective at the same time as the changes were effective for federal purposes.

Sec. 10. Minnesota Statutes 2008, section 290.068, is amended to read:

290.068 CREDIT FOR INCREASING RESEARCH ACTIVITIES.

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

(a) ~~5~~ ten 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.

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

(a) "Qualified research expenses" means (i) qualified research expenses and basic research payments as defined in section 41(b) and (e) of the Internal Revenue Code, except it does not include expenses incurred for qualified research or basic research conducted outside the state of Minnesota pursuant to section 41(d) and (e) of the Internal Revenue Code; and (ii) contributions to a nonprofit corporation established and operated pursuant to the provisions of chapter 317A for the purpose of promoting the establishment and expansion of business in this state, provided the contributions are invested by the nonprofit corporation for the purpose of providing funds for small, technologically innovative enterprises in Minnesota during the early stages of their development.

(b) "Qualified research" means qualified research as defined in section 41(d) of the Internal Revenue Code, except that the term does not include qualified research conducted outside the state of Minnesota.

(c) "Base amount" means base amount as defined in section 41(c) of the Internal Revenue Code, except that the average annual gross receipts must be calculated using Minnesota sales or receipts under section 290.191 and the definitions contained in clauses (a) and (b) shall apply.

Subd. 3. **Limitation; carryover.** (a)(1) The credit for ~~the~~ a taxable year beginning before January 1, 2011, shall not exceed the liability for tax. "Liability for tax" for purposes of this section means the tax imposed under section 290.06, subdivision 1, for the taxable year reduced by the sum of the nonrefundable credits allowed under this chapter.

(2) In the case of a corporation which is a partner in a partnership, the credit allowed for the taxable year shall not exceed the lesser of the amount determined under clause (1) for the taxable year or an amount (separately computed with respect to the corporation's interest in the trade or business or entity) equal to the amount of tax attributable to that portion of taxable income which is allocable or apportionable to the corporation's interest in the trade or business or entity.

(b) If the amount of the credit determined under this section for any taxable year exceeds the limitation under clause (a), the excess shall be a research credit carryover to each of the 15 succeeding taxable years. The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The amount of the unused credit which may be added under this clause shall not exceed the taxpayer's liability for tax less the research credit for the taxable year.

Subd. 4. **Partnerships and S corporations.** In the case of partnerships the credit shall be allocated in the same manner provided by section 41(f)(2) of the Internal Revenue Code.

For shareholders in S corporations the credit must be allocated in the same manner as provided by section 1366(a) of the Internal Revenue Code.

Subd. 5. **Adjustments; acquisitions and dispositions.** If a taxpayer acquires or disposes of the major portion of a trade or business or the major portion of a separate unit of a trade or business in a transaction with another taxpayer, the taxpayer's qualified research expenses and base amount are adjusted in the same manner provided by section 41(f)(3) of the Internal Revenue Code.

Subd. 6. **Credit to be refundable.** If the amount of credit allowed in this section for qualified research expenses incurred in taxable years beginning after December 31, 2010, exceeds the taxpayer's tax liability under this chapter, the commissioner shall refund the excess amount. The credit allowed for qualified research expenses incurred in taxable years beginning after December 31, 2010, must be used before any research credit earned under subdivision 3.

Subd. 7. **Appropriation.** An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2009."

Page 18, line 28, delete "may not exceed the lesser of:" and insert "equals the federal credit allowed for the project."

Page 18, delete lines 29 and 30

Page 18, line 31, delete "may not exceed the lesser of:" and insert "equals 90 percent of the federal credit allowed for the project."

Page 18, delete lines 32 and 33

Page 19, line 28, delete "2016" and insert "2015"

Page 19, line 30, delete "2017" and insert "2016" and delete "2019" and insert "2018"

Page 19, line 33, delete "2020" and insert "2019"

Page 20, delete section 8 and insert:

"Sec. 12. Minnesota Statutes 2008, section 290.095, subdivision 11, is amended to read:

Subd. 11. **Carryback or carryover adjustments.** (a) Except as provided in paragraph (c), for individuals, estates, and trusts the amount of a net operating loss that may be carried back or carried over shall be the same dollar amount allowable in the determination of federal taxable income, provided that, notwithstanding any other provision, estates and trusts must apply the following adjustments to the amount of the net operating loss that may be carried back or carried over:

(1) Nonassignable income or losses as required by section 290.17.

(2) Deductions not allocable to Minnesota under section 290.17.

(b) The net operating loss carryback or carryover applied as a deduction in the taxable year to which the net operating loss is carried back or carried over shall be equal to the net operating loss carryback or carryover applied in the taxable year in arriving at federal taxable income provided that trusts and estates must apply the following modifications:

(1) Increase the amount of carryback or carryover applied in the taxable year by the amount of losses and interest, taxes and other expenses not assignable or allowable to Minnesota incurred in the taxable year.

(2) Decrease the amount of carryback or carryover applied in the taxable year by the amount of income not assignable to Minnesota earned in the taxable year. For estates and trusts, the net operating loss carryback or carryover to the next consecutive taxable year shall be the net operating loss carryback or carryover as calculated in clause (b) less the amount applied in the earlier taxable year(s). No additional net operating loss carryback or carryover shall be allowed to estates and trusts if the entire amount has been used to offset Minnesota income in a year earlier than was possible on the federal return. However, if a net operating loss carryback or carryover was allowed to offset federal income in a year earlier than was possible on the Minnesota return, an estate or trust shall still be allowed to offset Minnesota income but only if the loss was assignable to Minnesota in the year the loss occurred.

(c) This paragraph does not apply to eligible small businesses that make a valid election to carry back their losses for federal purposes under section 172(b)(1)(H) of the Internal Revenue Code as amended through March 31, 2009.

(1) A net operating loss of an individual, estate, or trust that is allowed under this subdivision and for which the taxpayer elects to carry back for more than two years under section 172(b)(1)(H) of the Internal Revenue Code is a net operating loss carryback to each of the two taxable years preceding the loss, and unused portions may be carried forward for 20 taxable years after the loss.

(2) The entire amount of the net operating loss for any taxable year must be carried to the earliest of the taxable years to which the loss may be carried. The portion of the loss which may be carried to each of the other taxable years is the excess, if any, of the amount of the loss over the taxable net income for each of the taxable years to which the loss may be carried.

EFFECTIVE DATE. This section is effective for net operating losses generated in taxable years beginning after December 31, 2007.

Sec. 13. Minnesota Statutes 2009 Supplement, section 290A.03, subdivision 15, is amended to read:

Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through March ~~31, 2009~~ 18, 2010.

EFFECTIVE DATE. This section is effective for property tax refunds based on property taxes payable after December 31, 2009, and rent paid after December 31, 2008.

Sec. 14. Minnesota Statutes 2009 Supplement, section 291.005, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(2) "Federal gross estate" means the gross estate of a decedent as valued and otherwise determined for federal estate tax purposes by federal taxing authorities pursuant to the provisions of the Internal Revenue Code.

(3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended through March ~~31, 2009~~ 18, 2010.

(4) "Minnesota adjusted taxable estate" means federal adjusted taxable estate as defined by section 2011(b)(3) of the Internal Revenue Code, increased by the amount of deduction for state death taxes allowed under section 2058 of the Internal Revenue Code.

(5) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included therein which has its situs outside Minnesota, and (b) including therein any property omitted from the federal gross estate which is includable therein, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

(6) "Nonresident decedent" means an individual whose domicile at the time of death was not in Minnesota.

(7) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(8) "Resident decedent" means an individual whose domicile at the time of death was in Minnesota.

(9) "Situs of property" means, with respect to real property, the state or country in which it is located; with respect to tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death; and with respect to intangible personal property, the state or country in which the decedent was domiciled at death.

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

Page 20, line 24, delete "2016" and insert "2015"

Page 22, delete section 9

Page 23, delete section 10

Page 23, before line 30, insert:

"Sec. 16. Minnesota Statutes 2008, section 297A.815, subdivision 3, is amended to read:

Subd. 3. **Motor vehicle lease sales tax revenue.** (a) For purposes of this subdivision, "net revenue" means an amount equal to:

(1) the revenues, including interest and penalties, collected under this section, during the fiscal year; less

(2) ~~the estimated reduction in individual income tax receipts and the estimated amount of refunds paid out under section 290.06, subdivision 34, for the fiscal year in fiscal year 2011, \$30,100,000; in fiscal year 2012, \$31,100,000; and in fiscal year 2013 and following fiscal years, \$32,000,000.~~

(b) On or before June 30 of each fiscal year, the commissioner of revenue shall estimate the amount of the revenues and subtraction under paragraph (a) for the current fiscal year.

(c) On or after July 1 of the subsequent fiscal year, the commissioner of management and budget shall transfer the net revenue as estimated in paragraph (b) from the general fund, as follows:

(1) 50 percent to the greater Minnesota transit account; and

(2) 50 percent to the county state-aid highway fund. Notwithstanding any other law to the contrary, the commissioner of transportation shall allocate the funds transferred under this clause to the counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county shall receive of such amount the percentage that its population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this clause.

(d) For fiscal years 2010 and 2011, the amount under paragraph (a), clause (1), must be calculated using the following percentages of the total revenues:

(1) for fiscal year 2010, 83.75 percent; and

(2) for fiscal year 2011, 93.75 percent."

Page 46, line 13, delete everything after the period

Page 46, delete lines 14 to 16

Page 48, line 2, strike "400" and insert "500"

Page 48, after line 17, insert:

"Sec. 41. Laws 2006, chapter 259, article 10, section 14, subdivision 3, is amended to read:

Subd. 3. **Application of tax increment law.** Minnesota Statutes, sections 469.174 to 469.179, shall apply to the administration of the district, except:

(1) as this section provides otherwise; and

(2) with respect to the portion of the increment to be expended for homeless shelter and services pursuant to subdivision 5, paragraph (b):

(i) the use for which tax increment that may be expended is as provided by subdivision 5; ~~and~~

(ii) Minnesota Statutes, sections 469.1761 and 469.1763, do not apply; ~~and~~

(iii) tax increment may be used for reimbursement of costs incurred at any time after the effective date of this section, even if incurred prior to establishment of the district or execution of a city tax increment agreement.

EFFECTIVE DATE. This section is effective upon compliance by the city of Minneapolis with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Page 57, delete section 52

Page 58, delete section 54 and insert:

"Sec. 54. **CITY OF ST. PAUL; TAX INCREMENT FINANCING DISTRICT.**

(a) Minnesota Statutes, section 469.1763, subdivisions 2 and 3, and section 469.176, subdivision 4, paragraph (j), do not apply to the expenditure of the tax increments from the Snelling University tax increment financing district (county #135) established by the Housing and Redevelopment Authority of the city of St. Paul.

(b) The authority granted by this section only applies to expenditure of increments for the construction of improvements to a project or projects, including necessary related costs, on which substantial and ongoing construction has begun by July 1, 2011.

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

Sec. 55. **REPEALER.**

(a) Minnesota Statutes 2008, section 290.06, subdivision 34, is repealed.

(b) Laws 1996, chapter 464, article 1, section 8, subdivision 5, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective for taxable years beginning after December 31, 2009. Paragraph (b) is effective upon local approval of and compliance by the governing body of the city of Bloomington with the requirements of Minnesota Statutes, section 645.021."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Buesgens and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Demmer	Haws	Lenczewski	Newton	Severson
Anderson, B.	Dettmer	Hayden	Lesch	Nornes	Shimanski
Anderson, P.	Dill	Hilstrom	Liebling	Norton	Simon
Anderson, S.	Dittrich	Hilty	Lieder	Obermueller	Slawik
Anzelc	Doepke	Holberg	Lillie	Olin	Slocum
Atkins	Doty	Hoppe	Loeffler	Otremba	Smith
Beard	Downey	Hornstein	Loon	Paymar	Solberg
Benson	Drazkowski	Hortman	Mack	Pelowski	Sterner
Bigham	Eastlund	Hosch	Magnus	Peppin	Swails
Bly	Eken	Howes	Mahoney	Persell	Thao
Brod	Emmer	Huntley	Mariani	Peterson	Thissen
Brown	Falk	Jackson	Marquart	Poppe	Tillberry
Brynaert	Faust	Johnson	Masin	Reinert	Torkelson
Buesgens	Fritz	Juhnke	McFarlane	Rosenthal	Urdahl
Bunn	Gardner	Kahn	McNamara	Rukavina	Wagenius
Carlson	Garofalo	Kalin	Morgan	Ruud	Ward
Champion	Greiling	Kath	Morrow	Sailer	Walti
Clark	Gunther	Kelly	Mullery	Sanders	Westrom
Cornish	Hackbarth	Kiffmeyer	Murdock	Scalze	Winkler
Davids	Hamilton	Knuth	Murphy, E.	Scott	Zellers
Davnie	Hansen	Koenen	Murphy, M.	Seifert	Spk. Kelliher
Dean	Hausman	Laine	Nelson	Sertich	

Sertich moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Lenczewski amendment and the roll was called. There were 78 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Hilstrom	Laine	Murphy, M.	Severson
Anderson, P.	Demmer	Hoppe	Lenczewski	Nelson	Simon
Anderson, S.	Dill	Hornstein	Lieder	Newton	Slawik
Atkins	Dittrich	Hosch	Lillie	Norton	Smith
Beard	Doepke	Howes	Loon	Obermueller	Solberg
Benson	Eastlund	Huntley	Mack	Olin	Sterner
Bigham	Emmer	Jackson	Mahoney	Pelowski	Swails
Brod	Falk	Johnson	Marquart	Persell	Thao
Brown	Gardner	Kahn	McFarlane	Peterson	Thissen
Bunn	Garofalo	Kalin	McNamara	Poppe	Urdahl
Carlson	Hansen	Kath	Morgan	Sanders	Wagenius
Cornish	Hausman	Kelly	Morrow	Scalze	Zellers
Davnie	Haws	Knuth	Murdock	Sertich	Spk. Kelliher

Those who voted in the negative were:

Anderson, B.	Doty	Hackbarth	Lesch	Otremba	Seifert
Anzelc	Downey	Hamilton	Liebling	Paymar	Shimanski
Bly	Draskowski	Hayden	Loeffler	Peppin	Slocum
Brynaert	Eken	Hilty	Magnus	Reinert	Tillberry
Buesgens	Faust	Holberg	Mariani	Rosenthal	Torkelson
Champion	Fritz	Hortman	Masin	Rukavina	Ward
Clark	Gottwalt	Juhnke	Mullery	Ruud	Welti
Davids	Greiling	Kiffmeyer	Murphy, E.	Sailer	Westrom
Dettmer	Gunther	Koenen	Nornes	Scott	Winkler

The motion prevailed and the amendment was adopted.

Zellers, Nornes, Downey, Demmer, Loon, Mack, Brod, Kohls, Murdock, Doepke and McFarlane moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 16, after line 8, insert:

"Sec. 6. Minnesota Statutes 2008, section 290.06, subdivision 1, is amended to read:

Subdivision 1. **Computation, corporations.** The franchise tax imposed upon corporations shall be computed by applying to their taxable income the rate of:

(1) 9.8 percent for taxable years through 2011;

(2) 9.3 percent for taxable year 2012;

(3) 8.8 percent for taxable year 2013;

(4) 8.3 percent for taxable year 2014;

(5) 7.8 percent for taxable year 2015;

(6) 7.3 percent for taxable year 2016;

(7) 6.8 percent for taxable year 2017;

(8) 6.3 percent for taxable year 2018;

(9) 5.8 percent for taxable year 2019;

(10) 5.3 percent for taxable year 2020;

(11) 4.8 percent for taxable years 2021 and later.

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

Page 20, after line 27, insert:

"Sec. 8. Minnesota Statutes 2008, section 290.0921, subdivision 1, is amended to read:

Subdivision 1. **Tax imposed.** In addition to the taxes computed under this chapter without regard to this section, the franchise tax imposed on corporations includes a tax equal to the excess, if any, for the taxable year of:

- (1) (i) 5.8 percent of Minnesota alternative minimum taxable income in taxable years through 2011;
- (ii) 5.5 percent of Minnesota alternative minimum taxable income in taxable year 2012;
- (iii) 5.2 percent of Minnesota alternative minimum taxable income in taxable year 2013;
- (iv) 4.9 percent of Minnesota alternative minimum taxable income in taxable year 2014;
- (v) 4.6 percent of Minnesota alternative minimum taxable income in taxable year 2015;
- (vi) 4.3 percent of Minnesota alternative minimum taxable income in taxable year 2016;
- (vii) 4 percent of Minnesota alternative minimum taxable income in taxable year 2017;
- (viii) 3.7 percent of Minnesota alternative minimum taxable income in taxable year 2018;
- (ix) 3.4 percent of Minnesota alternative minimum taxable income in taxable year 2019;
- (x) 3.1 percent of Minnesota alternative minimum taxable income in taxable year 2020; and
- (xi) 2.8 percent of Minnesota alternative minimum taxable income in taxable year 2021 and later; over
- (2) the tax imposed under section 290.06, subdivision 1, without regard to this section.

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

A roll call was requested and properly seconded.

The question was taken on the Zellers et al amendment and the roll was called. There were 52 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abeler	Brod	Demmer	Emmer	Holberg	Mack
Anderson, B.	Buesgens	Dettmer	Garofalo	Hoppe	Magnus
Anderson, P.	Bunn	Doepke	Gottwalt	Howes	McFarlane
Anderson, S.	Cornish	Downey	Gunther	Kelly	McNamara
Atkins	Dauids	Drazkowski	Hackbarth	Kiffmeyer	Murdock
Beard	Dean	Eastlund	Hamilton	Loon	Nornes

Obermueller	Rosenthal	Seifert	Smith	Torkelson	Zellers
Olin	Sanders	Severson	Sterner	Urdahl	
Peppin	Scott	Shimanski	Swails	Westrom	

Those who voted in the negative were:

Anzelc	Falk	Huntley	Lillie	Otremba	Slocum
Benson	Faust	Jackson	Loeffler	Paymar	Solberg
Bigham	Fritz	Johnson	Mahoney	Pelowski	Thao
Bly	Gardner	Juhnke	Mariani	Persell	Thissen
Brown	Greiling	Kahn	Marquart	Peterson	Tillberry
Brynaert	Hansen	Kalin	Masin	Poppe	Wagenius
Carlson	Hausman	Kath	Morgan	Reinert	Ward
Champion	Haws	Knuth	Morrow	Rukavina	Welti
Clark	Hayden	Koenen	Mullery	Ruud	Winkler
Davnie	Hilstrom	Laine	Murphy, E.	Sailer	Spk. Kelliher
Dill	Hilty	Lenczewski	Murphy, M.	Scalze	
Dittrich	Hornstein	Lesch	Nelson	Sertich	
Doty	Hortman	Liebling	Newton	Simon	
Eken	Hosch	Lieder	Norton	Slawik	

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

Seifert; Severson; Anderson, B.; Shimanski; Dettmer, Smith and Murdock moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 16, after line 8, insert:

"Section 6. Minnesota Statutes 2009 Supplement, section 290.01, subdivision 19b, as amended by Laws 2010, chapter 187, section 2, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

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

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

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in

this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. No deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle to provide such transportation for a qualifying child. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

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

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code, under the provisions of Public Law 109-1 and Public Law 111-126;

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

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

(9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (15), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(10) job opportunity building zone income as provided under section 469.316;

(11) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota, excluding compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal active service as defined in section 190.05, subdivision 5c, but "active service" excludes service performed in accordance with section 190.08, subdivision 3;

(12) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed outside Minnesota under United States Code, title 10, section 101(d); United States Code, title 32, section 101(12); or the authority of the United Nations;

(13) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(15) to the extent included in federal taxable income, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief Act, Public Law 108-189, section 101(2);

(16) international economic development zone income as provided under section 469.325;

(17) to the extent included in federal taxable income, the amount of national service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program; ~~and~~

(18) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under section 290.01, subdivision 19a, clause (16); ~~and~~

(19) to the extent included in federal taxable income, compensation received from a pension or other retirement pay from the federal government for service in the military, as computed under United States Code, title 10, sections 1401 to 1414, 1447 to 1455, and 12733.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2012.

Page 20, after line 27, insert:

"Sec. 9. Minnesota Statutes 2009 Supplement, 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;
- (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) to (9), (12), (13), (16), and (17);

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 (6), (9) to (16), and (18) to (19).

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) "Net minimum tax" means the minimum tax imposed by this section.
- (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) "Tentative minimum tax" equals 6.4 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2012."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Seifert et al amendment and the roll was called.

Pursuant to rule 2.05, Newton and Reinert were excused from voting on the Seifert et al amendment to H. F. No. 2695, the second engrossment, as amended.

There were 65 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Falk	Howes	McNamara	Severson
Anderson, B.	Demmer	Faust	Jackson	Murdock	Shimanski
Anderson, P.	Dettmer	Fritz	Juhnke	Nornes	Smith
Anderson, S.	Dittrich	Garofalo	Kath	Obermueller	Sterner
Beard	Doepke	Gottwalt	Kelly	Olin	Swails
Bigham	Doty	Gunther	Kiffmeyer	Otremba	Torkelson
Brod	Downey	Hackbarth	Koenen	Peppin	Urdahl
Buesgens	Drazkowski	Hamilton	Loon	Rosenthal	Ward
Bunn	Eastlund	Haws	Mack	Sanders	Westrom
Cornish	Eken	Holberg	Magnus	Scott	Zellers
Davids	Emmer	Hoppe	McFarlane	Seifert	

Those who voted in the negative were:

Anzelc	Gardner	Johnson	Mahoney	Paymar	Slawik
Atkins	Greiling	Kahn	Mariani	Pelowski	Slocum
Benson	Hansen	Kalin	Marquart	Persell	Solberg
Bly	Hausman	Knuth	Masin	Peterson	Thao
Brown	Hayden	Laine	Morgan	Poppe	Thissen
Brynaert	Hilstrom	Lenczewski	Morrow	Rukavina	Tillberry
Carlson	Hilty	Lesch	Mullery	Ruud	Wagenius
Champion	Hornstein	Liebling	Murphy, E.	Sailer	Welti
Clark	Hortman	Lieder	Murphy, M.	Scalze	Winkler
Davnie	Hosch	Lillie	Nelson	Sertich	Spk. Kelliher
Dill	Huntley	Loeffler	Norton	Simon	

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

Seifert, Severson, Dettmer, Shimanski, Smith and Murdock moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 16, after line 8, insert:

"Sec. 6. Minnesota Statutes 2009 Supplement, section 290.01, subdivision 19b, as amended by Laws 2010, chapter 187, section 2, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

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

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

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. No deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle to provide such transportation for a qualifying child. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

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

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code, under the provisions of Public Law 109-1 and Public Law 111-126;

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

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

(9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (15), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(10) job opportunity building zone income as provided under section 469.316;

(11) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota, excluding compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal active service as defined in section 190.05, subdivision 5c, but "active service" excludes service performed in accordance with section 190.08, subdivision 3;

(12) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed outside Minnesota under United States Code, title 10, section 101(d); United States Code, title 32, section 101(12); or the authority of the United Nations;

(13) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(15) to the extent included in federal taxable income, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief Act, Public Law 108-189, section 101(2);

(16) international economic development zone income as provided under section 469.325;

(17) to the extent included in federal taxable income, the amount of national service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program; ~~and~~

(18) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under section 290.01, subdivision 19a, clause (16); and

(19) to the extent included in federal taxable income, social security benefits.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2012."

Page 20, after line 27, insert:

"Sec. 9. Minnesota Statutes 2009 Supplement, 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;

(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) to (9), (12), (13), (16), and (17);

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 (6), (9) to (16), and (18) to (19).

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

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

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2012."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Seifert et al amendment and the roll was called. There were 62 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Downey	Garofalo	Hoppe	Koenen
Anderson, B.	Davids	Drazkowski	Gottwalt	Howes	Loon
Anderson, P.	Dean	Eastlund	Gunther	Jackson	Mack
Anderson, S.	Demmer	Eken	Hackbarth	Juhnke	Magnus
Beard	Dettmer	Emmer	Hamilton	Kath	McFarlane
Brod	Doepke	Falk	Hansen	Kelly	McNamara
Buesgens	Doty	Faust	Holberg	Kiffmeyer	Murdock

Nornes	Peppin	Scott	Smith	Urdahl
Obermueller	Rosenthal	Seifert	Sterner	Walti
Olin	Sailer	Severson	Swails	Westrom
Otremba	Sanders	Shimanski	Torkelson	Zellers

Those who voted in the negative were:

Anzelc	Dill	Hosch	Loeffler	Norton	Slawik
Atkins	Dittrich	Huntley	Mahoney	Paymar	Slocum
Benson	Fritz	Johnson	Mariani	Pelowski	Solberg
Bigham	Gardner	Kahn	Marquart	Persell	Thao
Bly	Greiling	Kalin	Masin	Peterson	Thissen
Brown	Hausman	Knuth	Morgan	Poppe	Tillberry
Brynaert	Haws	Laine	Morrow	Reinert	Wagenius
Bunn	Hayden	Lenczewski	Mullery	Rukavina	Ward
Carlson	Hilstrom	Lesch	Murphy, E.	Ruud	Winkler
Champion	Hilty	Liebling	Murphy, M.	Scalze	Spk. Kelliher
Clark	Hornstein	Lieder	Nelson	Sertich	
Davnie	Hortman	Lillie	Newton	Simon	

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

Seifert, Dettmer, Shimanski, Smith and Murdock moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 16, after line 8, insert:

"Section 6. Minnesota Statutes 2009 Supplement, section 290.01, subdivision 19b, as amended by Laws 2010, chapter 187, section 2, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

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

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

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section

290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. No deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle to provide such transportation for a qualifying child. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

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

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code, under the provisions of Public Law 109-1 and Public Law 111-126;

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

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

(9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (15), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(10) job opportunity building zone income as provided under section 469.316;

(11) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota, excluding compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal active service as defined in section 190.05, subdivision 5c, but "active service" excludes service performed in accordance with section 190.08, subdivision 3;

(12) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed outside Minnesota under United States Code, title 10, section 101(d); United States Code, title 32, section 101(12); or the authority of the United Nations;

(13) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(15) to the extent included in federal taxable income, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief Act, Public Law 108-189, section 101(2);

(16) international economic development zone income as provided under section 469.325;

(17) to the extent included in federal taxable income, the amount of national service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program; ~~and~~

(18) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under section 290.01, subdivision 19a, clause (16); ~~and~~

(19) to the extent included in federal taxable income, unemployment compensation as defined under section 85 of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2012."

Page 20, after line 27, insert:

"Sec. 9. Minnesota Statutes 2009 Supplement, 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;
- (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) to (9), (12), (13), (16), and (17);

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 (6), (9) to (16), and (18) to (19).

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) "Net minimum tax" means the minimum tax imposed by this section.
- (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) "Tentative minimum tax" equals 6.4 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2012."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Seifert et al amendment and the roll was called. There were 60 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Faust	Juhnke	Murdock	Severson
Anderson, B.	Dettmer	Garofalo	Kath	Nornes	Shimanski
Anderson, P.	Doepke	Gottwalt	Kelly	Obermueller	Smith
Anderson, S.	Doty	Gunther	Kiffmeyer	Olin	Sterner
Beard	Downey	Hackbarth	Koenen	Otremba	Swails
Brod	Drazkowski	Hamilton	Loon	Peppin	Torkelson
Buesgens	Eastlund	Holberg	Mack	Rosenthal	Urdahl
Cornish	Eken	Hoppe	Magnus	Sanders	Welti
Davids	Emmer	Howes	McFarlane	Scott	Westrom
Dean	Falk	Jackson	McNamara	Seifert	Zellers

Those who voted in the negative were:

Anzelc	Dill	Hortman	Lillie	Newton	Sertich
Atkins	Dittrich	Hosch	Loeffler	Norton	Simon
Benson	Fritz	Huntley	Mahoney	Paymar	Slawik
Bigham	Gardner	Johnson	Mariani	Pelowski	Slocum
Bly	Greiling	Kahn	Marquart	Persell	Solberg
Brown	Hansen	Kalin	Masin	Peterson	Thao
Brynaert	Hausman	Knuth	Morgan	Poppe	Thissen
Bunn	Haws	Laine	Morrow	Reinert	Tillberry
Carlson	Hayden	Lenczewski	Mullery	Rukavina	Wagenius
Champion	Hilstrom	Lesch	Murphy, E.	Ruud	Ward
Clark	Hilty	Liebling	Murphy, M.	Sailer	Winkler
Davnie	Hornstein	Lieder	Nelson	Scalze	Spk. Kelliher

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

Hamilton, Torkelson and Magnus moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 43, after line 32, insert:

"(f) Notwithstanding the 12-year zone limitation, any qualified business that signs a business subsidy agreement, as required under sections 469.310, subdivision 11, and 469.313, before December 31, 2015, is entitled to claim the tax benefits for which it qualifies under section 469.315 for the year in which the business subsidy agreement is signed and 11 additional years."

A roll call was requested and properly seconded.

The question was taken on the Hamilton et al amendment and the roll was called. There were 43 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Anderson, P.	Doepke	Gottwalt	Kiffmeyer	Otremba	Ward
Anderson, S.	Doty	Gunther	Loon	Sanders	Westrom
Brod	Downey	Hackbarth	Mack	Seifert	Zellers
Brown	Drazkowski	Hamilton	Magnus	Severson	
Cornish	Eastlund	Hoppe	McFarlane	Shimanski	
Davids	Eken	Howes	Murdock	Smith	
Demmer	Faust	Juhnke	Nornes	Torkelson	
Dettmer	Fritz	Kelly	Olin	Urdahl	

Those who voted in the negative were:

Abeler	Dean	Hornstein	Lieder	Norton	Sertich
Anderson, B.	Dill	Hortman	Lillie	Obermueller	Simon
Anzelc	Dittrich	Hosch	Loeffler	Paymar	Slawik
Atkins	Emmer	Huntley	Mahoney	Pelowski	Slocum
Beard	Falk	Jackson	Mariani	Peppin	Solberg
Benson	Gardner	Johnson	Marquart	Persell	Sterner
Bigham	Garofalo	Kahn	Masin	Peterson	Swails
Bly	Greiling	Kalin	McNamara	Poppe	Thao
Brynaert	Hansen	Kath	Morgan	Reinert	Thissen
Buesgens	Hausman	Knuth	Morrow	Rosenthal	Tillberry
Bunn	Haws	Koenen	Mullery	Rukavina	Wagenius
Carlson	Hayden	Laine	Murphy, E.	Ruud	Welti
Champion	Hilstrom	Lenczewski	Murphy, M.	Sailer	Winkler
Clark	Hilty	Lesch	Nelson	Scalze	Spk. Kelliher
Davnie	Holberg	Liebling	Newton	Scott	

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

Buesgens moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 46, line 25, delete "and the Old Cedar Avenue Bridge."

A roll call was requested and properly seconded.

The question was taken on the Buesgens amendment and the roll was called. There were 39 yeas and 93 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dettmer	Gottwalt	Kiffmeyer	Nornes	Sterner
Anderson, S.	Doepke	Gunther	Loon	Peppin	Torkelson
Buesgens	Downey	Hackbarth	Mack	Scott	Westrom
Cornish	Drazkowski	Hamilton	Magnus	Seifert	Zellers
Davids	Eastlund	Holberg	McFarlane	Severson	
Dean	Emmer	Hoppe	McNamara	Shimanski	
Demmer	Garofalo	Howes	Murdock	Smith	

Those who voted in the negative were:

Abeler	Dill	Hortman	Lieder	Olin	Slawik
Anderson, P.	Dittrich	Hosch	Lillie	Otremba	Slocum
Anzalc	Doty	Huntley	Loeffler	Paymar	Solberg
Atkins	Eken	Jackson	Mahoney	Pelowski	Swails
Beard	Falk	Johnson	Mariani	Persell	Thao
Benson	Faust	Juhnke	Marquart	Peterson	Thissen
Bigham	Fritz	Kahn	Masin	Poppe	Tillberry
Bly	Gardner	Kalin	Morgan	Reinert	Urdahl
Brod	Greiling	Kath	Morrow	Rosenthal	Wagenius
Brown	Hansen	Kelly	Mullery	Rukavina	Ward
Brynaert	Hausman	Knuth	Murphy, E.	Ruud	Welti
Bunn	Haws	Koenen	Murphy, M.	Sailer	Winkler
Carlson	Hayden	Laine	Nelson	Sanders	Spk. Kelliher
Champion	Hilstrom	Lenczewski	Newton	Scalze	
Clark	Hilty	Lesch	Norton	Sertich	
Davnie	Hornstein	Liebling	Obermueller	Simon	

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

Drazkowski moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 3, line 18, after "of" insert "agriculture."

The motion prevailed and the amendment was adopted.

Dettmer; Torkelson; Urdahl; Hamilton; Emmer; Drazkowski; Anderson, P.; Shimanski and Downey moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 16, after line 8, insert:

"Sec. 5. Minnesota Statutes 2009 Supplement, section 273.13, subdivision 23, is amended to read:

Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class 2a land under the same ownership. The market value of the house and garage and immediately surrounding one acre of land has the same class rates as class

1a or 1b property under subdivision 22. The value of the remaining land including improvements up to the first tier valuation limit of agricultural homestead property has a net class rate of 0.5 percent of market value. The remaining property over the first tier has a class rate of one percent of market value. For purposes of this subdivision, the "first tier valuation limit of agricultural homestead property" and "first tier" means the limit certified under section 273.11, subdivision 23.

(b) Class 2a agricultural land consists of parcels of property, or portions thereof, that are agricultural land and buildings. Class 2a property has a net class rate of one percent of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a property must also include any property that would otherwise be classified as 2b, but is interspersed with class 2a property, including but not limited to sloughs, wooded wind shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement, and other similar land that is impractical for the assessor to value separately from the rest of the property or that is unlikely to be able to be sold separately from the rest of the property.

An assessor may classify the part of a parcel described in this subdivision that is used for agricultural purposes as class 2a and the remainder in the class appropriate to its use.

(c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that are unplatted real estate, rural in character and not used for agricultural purposes, including land used for growing trees for timber, lumber, and wood and wood products, that is not improved with a structure. The presence of a minor, ancillary nonresidential structure as defined by the commissioner of revenue does not disqualify the property from classification under this paragraph. Any parcel of 20 acres or more improved with a structure that is not a minor, ancillary nonresidential structure must be split-classified, and ten acres must be assigned to the split parcel containing the structure. Class 2b property has a net class rate of one percent of market value unless it is part of an agricultural homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

(d) Class 2c managed forest land consists of no less than 20 and no more than 1,920 acres statewide per taxpayer that is being managed under a forest management plan that meets the requirements of chapter 290C, but is not enrolled in the sustainable forest resource management incentive program. It has a class rate of .65 percent, provided that the owner of the property must apply to the assessor in order for the property to initially qualify for the reduced rate and provide the information required by the assessor to verify that the property qualifies for the reduced rate. If the assessor receives the application and information before May 1 in an assessment year, the property qualifies beginning with that assessment year. If the assessor receives the application and information after April 30 in an assessment year, the property may not qualify until the next assessment year. The commissioner of natural resources must concur that the land is qualified. The commissioner of natural resources shall annually provide county assessors verification information on a timely basis. The presence of a minor, ancillary nonresidential structure as defined by the commissioner of revenue does not disqualify the property from classification under this paragraph.

(e) Agricultural land as used in this section means contiguous acreage of ten acres or more, used during the preceding year for agricultural purposes. "Agricultural purposes" as used in this section means the raising, cultivation, drying, or storage of agricultural products for sale, or the storage of machinery or equipment used in support of agricultural production by the same farm entity. For a property to be classified as agricultural based only on the drying or storage of agricultural products, the products being dried or stored must have been produced by the same farm entity as the entity operating the drying or storage facility. "Agricultural purposes" also includes enrollment in the Reinvest in Minnesota program under sections 103F.501 to 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198 or a similar state or federal conservation program if the property was classified as agricultural (i) under this subdivision for the assessment year 2002 or (ii) in the year prior to its enrollment. Agricultural classification shall not be based upon the market value of any residential structures on the parcel or contiguous parcels under the same ownership.

(f) Real estate of less than ten acres, which is exclusively or intensively used for raising or cultivating agricultural products, shall be considered as agricultural land. To qualify under this paragraph, property that includes a residential structure must be used intensively for one of the following purposes:

(i) for drying or storage of grain or storage of machinery or equipment used to support agricultural activities on other parcels of property operated by the same farming entity;

(ii) as a nursery, provided that only those acres used to produce nursery stock are considered agricultural land;

(iii) for livestock or poultry confinement, provided that land that is used only for pasturing and grazing does not qualify; or

(iv) for market farming; for purposes of this paragraph, "market farming" means the cultivation of one or more fruits or vegetables or production of animal or other agricultural products for sale to local markets by the farmer or an organization with which the farmer is affiliated.

(g) Land shall be classified as agricultural even if all or a portion of the agricultural use of that property is the leasing to, or use by another person for agricultural purposes.

Classification under this subdivision is not determinative for qualifying under section 273.111.

(h) The property classification under this section supersedes, for property tax purposes only, any locally administered agricultural policies or land use restrictions that define minimum or maximum farm acreage.

(i) The term "agricultural products" as used in this subdivision includes production for sale of:

(1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner;

(2) fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use;

(3) the commercial boarding of horses, which may include related horse training and riding instruction, if the boarding is done ~~in conjunction with~~ on property that is also used for raising pasture to graze horses or raising or cultivating other agricultural products as defined in clause (1);

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing;

(5) game birds and waterfowl bred and raised for use on a shooting preserve licensed under section 97A.115;

(6) insects primarily bred to be used as food for animals;

(7) trees, grown for sale as a crop, including short rotation woody crops, and not sold for timber, lumber, wood, or wood products; and

(8) maple syrup taken from trees grown by a person licensed by the Minnesota Department of Agriculture under chapter 28A as a food processor.

(j) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

- (1) wholesale and retail sales;
- (2) processing of raw agricultural products or other goods;
- (3) warehousing or storage of processed goods; and
- (4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3),

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

(k) The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

(l) Class 2d airport landing area consists of a landing area or public access area of a privately owned public use airport. It has a class rate of one percent of market value. To qualify for classification under this paragraph, a privately owned public use airport must be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing area" means that part of a privately owned public use airport properly cleared, regularly maintained, and made available to the public for use by aircraft and includes runways, taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing area also includes land underlying both the primary surface and the approach surfaces that comply with all of the following:

(i) the land is properly cleared and regularly maintained for the primary purposes of the landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities for servicing, repair, or maintenance of aircraft is not included as a landing area;

(ii) the land is part of the airport property; and

(iii) the land is not used for commercial or residential purposes.

The land contained in a landing area under this paragraph must be described and certified by the commissioner of transportation. The certification is effective until it is modified, or until the airport or landing area no longer meets the requirements of this paragraph. For purposes of this paragraph, "public access area" means property used as an aircraft parking ramp, apron, or storage hangar, or an arrival and departure building in connection with the airport.

(m) Class 2e consists of land with a commercial aggregate deposit that is not actively being mined and is not otherwise classified as class 2a or 2b, provided that the land is not located in a county that has elected to opt-out of the aggregate preservation program as provided in section 273.1115, subdivision 6. It has a class rate of one percent of market value. To qualify for classification under this paragraph, the property must be at least ten contiguous acres in size and the owner of the property must record with the county recorder of the county in which the property is located an affidavit containing:

- (1) a legal description of the property;

(2) a disclosure that the property contains a commercial aggregate deposit that is not actively being mined but is present on the entire parcel enrolled;

(3) documentation that the conditional use under the county or local zoning ordinance of this property is for mining; and

(4) documentation that a permit has been issued by the local unit of government or the mining activity is allowed under local ordinance. The disclosure must include a statement from a registered professional geologist, engineer, or soil scientist delineating the deposit and certifying that it is a commercial aggregate deposit.

For purposes of this section and section 273.1115, "commercial aggregate deposit" means a deposit that will yield crushed stone or sand and gravel that is suitable for use as a construction aggregate; and "actively mined" means the removal of top soil and overburden in preparation for excavation or excavation of a commercial deposit.

(n) When any portion of the property under this subdivision or subdivision 22 begins to be actively mined, the owner must file a supplemental affidavit within 60 days from the day any aggregate is removed stating the number of acres of the property that is actively being mined. The acres actively being mined must be (1) valued and classified under subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate resource preservation property tax program under section 273.1115, if the land was enrolled in that program. Copies of the original affidavit and all supplemental affidavits must be filed with the county assessor, the local zoning administrator, and the Department of Natural Resources, Division of Land and Minerals. A supplemental affidavit must be filed each time a subsequent portion of the property is actively mined, provided that the minimum acreage change is five acres, even if the actual mining activity constitutes less than five acres.

(o) The definitions prescribed by the commissioner under paragraphs (c) and (d) are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

EFFECTIVE DATE. This section is effective for property taxes levied in 2010 and thereafter, for property taxes payable in 2011 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Dettmer et al amendment and the roll was called. There were 64 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abeler	Bunn	Downey	Gottwalt	Juhnke	Magnus
Anderson, B.	Cornish	Drazkowski	Gunther	Kalin	McFarlane
Anderson, P.	Dauids	Eastlund	Hackbarth	Kath	McNamara
Anderson, S.	Dean	Eken	Hamilton	Kelly	Morrow
Beard	Demmer	Emmer	Holberg	Kiffmeyer	Murdock
Bly	Dettmer	Falk	Hoppe	Lesch	Nornes
Brod	Doepke	Fritz	Howes	Loon	Otremba
Buesgens	Doty	Garofalo	Jackson	Mack	Peppin

Rosenthal	Seifert	Slawik	Swails	Ward	Zellers
Sanders	Severson	Smith	Torkelson	Welti	
Scott	Shimanski	Sterner	Urdahl	Westrom	

Those who voted in the negative were:

Anzelc	Faust	Huntley	Mariani	Paymar	Slocum
Atkins	Gardner	Johnson	Marquart	Pelowski	Solberg
Benson	Greiling	Kahn	Masin	Persell	Thao
Bigham	Hansen	Knuth	Morgan	Peterson	Thissen
Brown	Hausman	Koenen	Mullery	Poppe	Tillberry
Brynaert	Haws	Laine	Murphy, E.	Reinert	Wagenius
Carlson	Hayden	Lenczewski	Murphy, M.	Rukavina	Winkler
Champion	Hilstrom	Liebling	Nelson	Ruud	Spk. Kelliher
Clark	Hilty	Lieder	Newton	Sailer	
Davnie	Hornstein	Lillie	Norton	Scalze	
Dill	Hortman	Loeffler	Obermueller	Sertich	
Dittrich	Hosch	Mahoney	Olin	Simon	

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

Drazkowski moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 15, after line 15, insert:

"Sec. 5. Minnesota Statutes 2008, section 270A.03, subdivision 7, is amended to read:

Subd. 7. **Refund.** "Refund" means an individual income tax refund ~~or political contribution refund~~, pursuant to chapter 290, or a property tax credit or refund, pursuant to chapter 290A, or a sustainable forest tax payment to a claimant under chapter 290C.

For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, and amounts granted to persons by the legislature on the recommendation of the joint senate-house of representatives Subcommittee on Claims shall be treated as refunds.

In the case of a joint property tax refund payable to spouses under chapter 290A, the refund shall be considered as belonging to each spouse in the proportion of the total refund that equals each spouse's proportion of the total income determined under section 290A.03, subdivision 3. In the case of a joint income tax refund under chapter 289A, the refund shall be considered as belonging to each spouse in the proportion of the total refund that equals each spouse's proportion of the total taxable income determined under section 290.01, subdivision 29. The commissioner shall remit the entire refund to the claimant agency, which shall, upon the request of the spouse who does not owe the debt, determine the amount of the refund belonging to that spouse and refund the amount to that spouse. For court fines, fees, and surcharges and court-ordered restitution under section 611A.04, subdivision 2, the notice provided by the commissioner of revenue under section 270A.07, subdivision 2, paragraph (b), serves as the appropriate legal notice to the spouse who does not owe the debt.

EFFECTIVE DATE. This section is effective for political contribution refund claims based on contributions that are made after June 30, 2011."

Page 16, after line 8, insert:

"Sec. 6. Minnesota Statutes 2008, section 289A.50, subdivision 1, is amended to read:

Subdivision 1. **General right to refund.** (a) Subject to the requirements of this section and section 289A.40, a taxpayer who has paid a tax in excess of the taxes lawfully due and who files a written claim for refund will be refunded or credited the overpayment of the tax determined by the commissioner to be erroneously paid.

(b) The claim must specify the name of the taxpayer, the date when and the period for which the tax was paid, the kind of tax paid, the amount of the tax that the taxpayer claims was erroneously paid, the grounds on which a refund is claimed, and other information relative to the payment and in the form required by the commissioner. An income tax, estate tax, or corporate franchise tax return, or amended return claiming an overpayment constitutes a claim for refund.

(c) When, in the course of an examination, and within the time for requesting a refund, the commissioner determines that there has been an overpayment of tax, the commissioner shall refund or credit the overpayment to the taxpayer and no demand is necessary. If the overpayment exceeds \$1, the amount of the overpayment must be refunded to the taxpayer. If the amount of the overpayment is less than \$1, the commissioner is not required to refund. In these situations, the commissioner does not have to make written findings or serve notice by mail to the taxpayer.

(d) If the amount allowable as a credit for withholding, estimated taxes, or dependent care exceeds the tax against which the credit is allowable, the amount of the excess is considered an overpayment. ~~The refund allowed by section 290.06, subdivision 23, is also considered an overpayment.~~ The requirements of section 270C.33 do not apply to the refunding of such an overpayment shown on the original return filed by a taxpayer.

(e) If the entertainment tax withheld at the source exceeds by \$1 or more the taxes, penalties, and interest reported in the return of the entertainment entity or imposed by section 290.9201, the excess must be refunded to the entertainment entity. If the excess is less than \$1, the commissioner need not refund that amount.

(f) If the surety deposit required for a construction contract exceeds the liability of the out-of-state contractor, the commissioner shall refund the difference to the contractor.

(g) An action of the commissioner in refunding the amount of the overpayment does not constitute a determination of the correctness of the return of the taxpayer.

(h) There is appropriated from the general fund to the commissioner of revenue the amount necessary to pay refunds allowed under this section.

EFFECTIVE DATE. This section is effective for political contribution refund claims based on contributions that are made after June 30, 2011.

Page 58, delete section 54, and insert:

"Sec. 54. **REPEALER.**

(a) Laws 1996, chapter 464, article 1, section 8, subdivision 5, is repealed.

(b) Minnesota Statutes 2008, sections 10A.322, subdivision 4; and 13.4967, subdivision 2, are repealed.

(c) Minnesota Statutes 2008, section 290.06, subdivision 23, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective upon local approval of and compliance by the governing body of the city of Bloomington with the requirements of Minnesota Statutes, section 645.021. Paragraph (b) is effective the day following final enactment. Paragraph (c) is effective for refund claims based on contributions made after June 30, 2011."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Drazkowski amendment and the roll was called. There were 57 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Garofalo	Kelly	Peppin	Sterner
Anderson, P.	Demmer	Gottwalt	Kiffmeyer	Rosenthal	Swails
Anderson, S.	Dettmer	Gunther	Loon	Ruud	Torkelson
Anzelc	Doepke	Hackbarth	Mack	Sanders	Urdahl
Atkins	Doty	Hamilton	Magnus	Scalze	Welti
Beard	Downey	Haws	McFarlane	Scott	Westrom
Bly	Drazkowski	Holberg	McNamara	Seifert	Zellers
Brod	Eastlund	Hoppe	Murdock	Severson	
Buesgens	Emmer	Howes	Nornes	Shimanski	
Davids	Fritz	Kath	Obermueller	Smith	

Those who voted in the negative were:

Abeler	Eken	Huntley	Lillie	Norton	Slawik
Benson	Falk	Jackson	Loeffler	Olin	Slocum
Bigham	Faust	Johnson	Mahoney	Otremba	Solberg
Brown	Gardner	Juhnke	Mariani	Paymar	Thao
Brynaert	Greiling	Kahn	Marquart	Pelowski	Thissen
Bunn	Hansen	Kalin	Masin	Persell	Tillberry
Carlson	Hausman	Knuth	Morgan	Peterson	Wagenius
Champion	Hayden	Koenen	Morrow	Poppe	Ward
Clark	Hilstrom	Laine	Mullery	Reinert	Winkler
Cornish	Hilty	Lenczewski	Murphy, E.	Rukavina	Spk. Kelliher
Davnie	Hornstein	Lesch	Murphy, M.	Sailer	
Dill	Hortman	Liebling	Nelson	Sertich	
Dittrich	Hosch	Lieder	Newton	Simon	

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

Hackbarth moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 14, line 21, delete "20" and insert "ten"

A roll call was requested and properly seconded.

The question was taken on the Hackbarth amendment and the roll was called. There were 41 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Emmer	Hoppe	McFarlane	Severson
Anderson, P.	Demmer	Garofalo	Howes	Murdock	Shimanski
Anderson, S.	Dettmer	Gottwalt	Kelly	Nornes	Smith
Beard	Doepke	Gunther	Kiffmeyer	Peppin	Torkelson
Brod	Downey	Hackbarth	Loon	Sanders	Westrom
Buesgens	Drazkowski	Hamilton	Mack	Scott	Zellers
Cornish	Eastlund	Holberg	Magnus	Seifert	

Those who voted in the negative were:

Abeler	Doty	Huntley	Mahoney	Paymar	Sterner
Anzelc	Eken	Jackson	Mariani	Pelowski	Swails
Atkins	Falk	Johnson	Marquart	Persell	Thao
Benson	Faust	Juhnke	Masin	Peterson	Thissen
Bigham	Fritz	Kahn	McNamara	Poppe	Tillberry
Bly	Gardner	Kalin	Morgan	Reinert	Urdahl
Brown	Greiling	Kath	Morrow	Rosenthal	Wagenius
Brynaert	Hansen	Knuth	Mullery	Rukavina	Ward
Bunn	Hausman	Koenen	Murphy, E.	Ruud	Welti
Carlson	Haws	Laine	Murphy, M.	Sailer	Winkler
Champion	Hayden	Lenczewski	Nelson	Scalze	Spk. Kelliher
Clark	Hilstrom	Lesch	Newton	Sertich	
Davids	Hilty	Liebling	Norton	Simon	
Davnie	Hornstein	Lieder	Obermueller	Slawik	
Dill	Hortman	Lillie	Olin	Slocum	
Dittrich	Hosch	Loeffler	Otremba	Solberg	

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

Anderson, B., moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 14, line 10, delete "runs" and insert "does not run"

Page 14, line 11, after "property" insert "and must be paid in full by the seller at the time of transfer"

A roll call was requested and properly seconded.

The question was taken on the Anderson, B., amendment and the roll was called. There were 45 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Beard	Cornish	Demmer	Downey	Emmer
Anderson, P.	Brod	Davids	Dettmer	Drazkowski	Fritz
Anderson, S.	Buesgens	Dean	Doepke	Eastlund	Garofalo

Gottwalt	Hoppe	Loon	Obermueller	Seifert	Urdahl
Gunther	Howes	Mack	Otremba	Severson	Zellers
Hackbarth	Jackson	Magnus	Peppin	Shimanski	
Hamilton	Kelly	Murdock	Sanders	Smith	
Holberg	Kiffmeyer	Nornes	Scott	Torkelson	

Those who voted in the negative were:

Abeler	Doty	Huntley	Mahoney	Paymar	Solberg
Anzelc	Eken	Johnson	Mariani	Pelowski	Sterner
Atkins	Falk	Juhnke	Marquart	Persell	Swails
Benson	Faust	Kahn	Masin	Peterson	Thao
Bigham	Gardner	Kalin	McFarlane	Poppe	Thissen
Bly	Greiling	Kath	McNamara	Reinert	Tillberry
Brown	Hansen	Knuth	Morgan	Rosenthal	Wagenius
Brynaert	Hausman	Koenen	Morrow	Rukavina	Ward
Bunn	Haws	Laine	Mullery	Ruud	Welti
Carlson	Hayden	Lenczewski	Murphy, E.	Sailer	Westrom
Champion	Hilstrom	Lesch	Murphy, M.	Scalze	Winkler
Clark	Hilty	Liebling	Nelson	Sertich	Spk. Kelliher
Davnie	Hornstein	Lieder	Newton	Simon	
Dill	Hortman	Lillie	Norton	Slawik	
Dittrich	Hosch	Loeffler	Olin	Slocum	

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

Drazkowski; Sanders; Magnus; Hackbarth; Seifert; Anderson, B.; Gunther and Brod moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 12, delete section 3

Page 13, delete section 4

Page 34, delete section 19

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Drazkowski et al amendment and the roll was called. There were 40 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Brod	Dean	Drazkowski	Gottwalt	Holberg
Anderson, P.	Buesgens	Demmer	Eastlund	Gunther	Hoppe
Anderson, S.	Cornish	Dettmer	Emmer	Hackbarth	Howes
Beard	Dauids	Downey	Garofalo	Hamilton	Kelly

Kiffmeyer	Murdock	Sanders	Severson	Torkelson	Zellers
Mack	Nornes	Scott	Shimanski	Urdahl	
Magnus	Peppin	Seifert	Smith	Westrom	

Those who voted in the negative were:

Abeler	Doty	Huntley	Loon	Olin	Slocum
Anzelc	Eken	Jackson	Mahoney	Otremba	Solberg
Atkins	Falk	Johnson	Mariani	Paymar	Sterner
Benson	Faust	Juhnke	Marquart	Pelowski	Swails
Bigham	Fritz	Kahn	Masin	Persell	Thao
Bly	Gardner	Kalin	McFarlane	Peterson	Thissen
Brown	Greiling	Kath	McNamara	Poppe	Tillberry
Brynaert	Hansen	Knuth	Morgan	Reinert	Wagenius
Bunn	Hausman	Koenen	Morrow	Rosenthal	Ward
Carlson	Haws	Laine	Mullery	Rukavina	Welti
Champion	Hayden	Lenczewski	Murphy, E.	Ruud	Winkler
Clark	Hilstrom	Lesch	Murphy, M.	Sailer	Spk. Kelliher
Davnie	Hilty	Liebling	Nelson	Scalze	
Dill	Hornstein	Lieder	Newton	Sertich	
Dittrich	Hortman	Lillie	Norton	Simon	
Doepke	Hosch	Loeffler	Obermueller	Slawik	

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

Westrom moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 55, line 6, delete section 51

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Westrom amendment and the roll was called. There were 39 yeas and 93 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dettmer	Gottwalt	Kiffmeyer	Nornes	Torkelson
Anderson, S.	Doepke	Gunther	Loeffler	Peppin	Urdahl
Brod	Downey	Hackbarth	Loon	Sanders	Westrom
Buesgens	Draskowski	Holberg	Mack	Scott	Zellers
Davids	Eastlund	Hoppe	Magnus	Seifert	
Dean	Emmer	Howes	McNamara	Severson	
Demmer	Garofalo	Kelly	Murdock	Shimanski	

Those who voted in the negative were:

Abeler	Atkins	Bigham	Brynaert	Champion	Davnie
Anderson, P.	Bead	Bly	Bunn	Clark	Dill
Anzelc	Benson	Brown	Carlson	Cornish	Dittrich

Doty	Hilty	Laine	Mullery	Poppe	Sterner
Eken	Hornstein	Lenczewski	Murphy, E.	Reinert	Swails
Falk	Hortman	Lesch	Murphy, M.	Rosenthal	Thao
Faust	Hosch	Liebling	Nelson	Rukavina	Thissen
Fritz	Huntley	Lieder	Newton	Ruud	Tillberry
Gardner	Jackson	Lillie	Norton	Sailer	Wagenius
Greiling	Johnson	Mahoney	Obermueller	Scalze	Ward
Hamilton	Juhnke	Mariani	Olin	Sertich	Welti
Hansen	Kahn	Marquart	Otremba	Simon	Winkler
Hausman	Kalin	Masin	Paymar	Slawik	Spk. Kelliher
Haws	Kath	McFarlane	Pelowski	Slocum	
Hayden	Knuth	Morgan	Persell	Smith	
Hilstrom	Koenen	Morrow	Peterson	Solberg	

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

Buesgens moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 58, after line 28, insert:

"Sec. 54. **PROHIBITION ON USE FOR SPORTS FACILITIES.**

No provision of this act may be used to assist the state, any subdivision or agency of the state, a local government, or any private entity or person in financing or constructing a stadium or ballpark.

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

A roll call was requested and properly seconded.

The question was taken on the Buesgens amendment and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Buesgens	Doepke	Greiling	Hortman	Koenen
Anderson, B.	Bunn	Doty	Gunther	Hosch	Laine
Anderson, P.	Carlson	Downey	Hackbarth	Howes	Lenczewski
Anderson, S.	Champion	Drazkowski	Hamilton	Huntley	Lesch
Anzelc	Clark	Eastlund	Hansen	Jackson	Liebling
Atkins	Cornish	Eken	Hausman	Johnson	Lieder
Beard	Davids	Emmer	Haws	Juhnke	Lillie
Benson	Davnie	Falk	Hayden	Kahn	Loeffler
Bigham	Dean	Faust	Hilstrom	Kalin	Loon
Bly	Demmer	Fritz	Hilty	Kath	Mack
Brod	Dettmer	Gardner	Holberg	Kelly	Magnus
Brown	Dill	Garofalo	Hoppe	Kiffmeyer	Mahoney
Brynaert	Dittrich	Gottwalt	Hornstein	Knuth	Mariani

Marquart	Murphy, M.	Pelowski	Sailer	Slawik	Torkelson
Masin	Nelson	Peppin	Sanders	Slocum	Urdahl
McFarlane	Newton	Persell	Scalze	Smith	Wagenius
McNamara	Nornes	Peterson	Scott	Solberg	Ward
Morgan	Norton	Poppe	Seifert	Sterner	Welti
Morrow	Obermueller	Reinert	Sertich	Swails	Westrom
Mullery	Olin	Rosenthal	Severson	Thao	Winkler
Murdock	Otremba	Rukavina	Shimanski	Thissen	Zellers
Murphy, E.	Paymar	Ruud	Simon	Tillberry	Spk. Kelliher

The motion prevailed and the amendment was adopted.

Clark; Hayden; Hilty; Liebling; Kelliher; Anzelc; Champion; Mullery; Hornstein; Johnson; Murphy, E.; Sertich; Hausman; Mariani and Greiling moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 11, line 13, after "activity" insert ", including the number of jobs and the wages of those jobs."

The motion prevailed and the amendment was adopted.

Rukavina moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 52, line 4, strike everything after the period

Page 52, strike line 5

The motion prevailed and the amendment was adopted.

Lenczewski moved to amend H. F. No. 2695, the second engrossment, as amended, as follows:

Page 5, line 26 of the second Lenczewski amendment adopted earlier today, delete "2011" and insert "2010"

Page 6, lines 18 and 20 of the second Lenczewski amendment adopted earlier today, delete "2010" and insert "2009"

The motion prevailed and the amendment was adopted.

H. F. No. 2695, A bill for an act relating to economic development; encouraging job creation; allowing tax credits for small business investment and historic structure rehabilitation; expanding the use of special assessment for certain energy improvements; expanding the permitted use of tax increment financing for certain projects; repealing restrictions on city of Bloomington's development of the Mall of America site; providing for tax system and debt collection management; establishing voluntary energy improvement financing program for local governments, transportation infrastructure loans, qualified green building and sustainable design projects, a create automotive recovery zone, and tax increment financing districts; modifying apprenticeship training facility property tax exemption and production tax distributions; repealing lower income fuel credit; providing a property tax exemption for certain property leased to charter schools; modifying research and development credit; conforming to

changes made to the Internal Revenue Code; appropriating money; amending Minnesota Statutes 2008, sections 13.4967, by adding a subdivision; 272.02, subdivision 42; 290.068; 290.095, subdivision 11; 297A.815, subdivision 3; 297I.20, by adding a subdivision; 429.021, subdivision 1; 429.101, subdivision 1; 446A.085, by adding a subdivision; 469.174, by adding a subdivision; 469.175, by adding a subdivision; 469.176, subdivisions 1b, 4c, by adding subdivisions; 469.310, subdivisions 6, 11, by adding subdivisions; 469.312, subdivisions 1, 3; 469.314, subdivisions 1, 4; 469.315; Minnesota Statutes 2009 Supplement, sections 272.02, subdivision 86; 289A.02, subdivision 7; 290.01, subdivisions 19, as amended, 31; 290A.03, subdivision 15; 291.005, subdivision 1; 298.227; 298.28, subdivision 4; 298.294; 469.153, subdivision 2; 469.174, subdivision 22; 469.312, subdivision 5; Laws 1986, chapter 391, section 1; Laws 1995, chapter 264, article 5, sections 44, subdivision 4, as amended; 45, subdivision 1, as amended; Laws 2006, chapter 259, article 10, section 14, subdivision 3; Laws 2008, chapter 366, article 5, sections 28, subdivisions 1, 2; 29, subdivisions 1, 2, 4; Laws 2009, chapter 78, article 7, section 2; proposing coding for new law in Minnesota Statutes, chapters 116J; 216C; 290; 469; repealing Minnesota Statutes 2008, section 290.06, subdivision 34; Laws 1996, chapter 464, article 1, section 8, subdivision 5.

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

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Abeler	Doepke	Hosch	Loeffler	Obermueller	Slawik
Anderson, P.	Downey	Howes	Loon	Olin	Slocum
Anderson, S.	Eastlund	Huntley	Mack	Otremba	Smith
Anzelc	Eken	Jackson	Magnus	Paymar	Solberg
Atkins	Falk	Johnson	Mahoney	Pelowski	Sterner
Beard	Faust	Juhnke	Marquart	Persell	Swails
Benson	Fritz	Kahn	Masin	Peterson	Thao
Bigham	Gardner	Kalin	McFarlane	Poppe	Thissen
Bly	Garofalo	Kath	McNamara	Reinert	Tillberry
Brod	Gottwalt	Kelly	Morgan	Rosenthal	Torkelson
Brown	Gunther	Kiffmeyer	Morrow	Rukavina	Urdahl
Brynaert	Hansen	Knuth	Mullery	Ruud	Wagenius
Bunn	Hausman	Koenen	Murdock	Sanders	Ward
Carlson	Haws	Laine	Murphy, E.	Scalze	Welti
Davnie	Hilstrom	Lenczewski	Murphy, M.	Scott	Westrom
Dean	Hilty	Lesch	Nelson	Sertich	Zellers
Demmer	Hoppe	Liebling	Newton	Severson	Spk. Kelliher
Dill	Hornstein	Lieder	Nornes	Shimanski	
Dittrich	Hortman	Lillie	Norton	Simon	

Those who voted in the negative were:

Anderson, B.	Cornish	Draskowski	Hamilton	Peppin
Buesgens	Dauids	Emmer	Hayden	Sailer
Champion	Dettmer	Greiling	Holberg	Seifert
Clark	Doty	Hackbarth	Mariani	Winkler

The bill was passed, as amended, and its title agreed to.

CALENDAR FOR THE DAY

Sertich moved that the Calendar for the Day be continued. The motion prevailed.

CALL OF THE HOUSE LIFTED

Hilstrom moved that the call of the House be lifted. The motion prevailed and it was so ordered.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

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

S. F. Nos. 1537, 2339, 2891, 2971, 3080, 3126, 1126, 2846, 2866, 1246, 2519, 2758, 2989, 2996, 3123, 271, 1886, 2490, 2616, 3052, 3091, 987, 2425, 2469, 2580, 3116, 2363, 2427, 2517, 2717, 2773, 2945, 2370, 2759, 2808, 3127, 2364, 2559, 2722, 2825, 2415, 2437, 2533, 2695 and 3145.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1537, A bill for an act relating to energy; requiring a certificate of need for certain transmission lines.

The bill was read for the first time.

Clark moved that S. F. No. 1537 and H. F. No. 1633, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2339, A bill for an act relating to public safety; increasing the criminal penalty for possessing dangerous weapons on school property while lowering the criminal penalty for brandishing, using, or possessing replica firearms and BB guns on school property; amending Minnesota Statutes 2008, section 609.66, subdivision 1d.

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

S. F. No. 2891, A bill for an act relating to corrections; adopting the Interstate Compact for Juveniles; proposing coding for new law in Minnesota Statutes, chapter 260.

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

S. F. No. 2971, A bill for an act relating to energy; making technical changes and modifying provisions related to utility report filings, hydrogen energy projects, weatherization programs, high-voltage transmission lines, public utility commission assessments, and utility metering for supportive housing; removing obsolete and redundant language; authorizing individuals and entities to take certain easements in agricultural land; providing for certain reporting requirements; providing for wind and solar easements; amending Minnesota Statutes 2008, sections 16E.15, subdivision 2; 117.225; 216B.16, by adding a subdivision; 216B.241, subdivision 2; 216B.812, subdivision 2; 216C.264; 216E.03, subdivision 7; 216E.18, subdivision 3; 326B.106, subdivision 12; 500.221, subdivisions 2, 4; Minnesota Statutes 2009 Supplement, section 117.189; Laws 2008, chapter 296, article 1, section 25; repealing Minnesota Statutes 2008, sections 216C.19, subdivisions 2, 3, 13, 14, 15, 16, 18, 19, 20; 216C.262; Minnesota Statutes 2009 Supplement, section 216C.19, subdivision 17.

The bill was read for the first time.

Hilty moved that S. F. No. 2971 and H. F. No. 3009, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3080, A bill for an act relating to energy; modifying programs for reducing emissions at electric generating plants; amending Minnesota Statutes 2008, sections 216B.1692, subdivision 8; 216B.685, subdivision 4.

The bill was read for the first time.

Hilty moved that S. F. No. 3080 and H. F. No. 3667, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3126, A bill for an act relating to energy; allowing for advance determination of prudence determination by Public Utilities Commission for certain environmental projects of a public utility; proposing coding for new law in Minnesota Statutes, chapter 216B.

The bill was read for the first time.

Eken moved that S. F. No. 3126 and H. F. No. 3640, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1126, A bill for an act relating to real property; modifying procedures relating to uses and conveyances of tax-forfeited property; amending Minnesota Statutes 2008, section 282.01, subdivisions 1, 1a, 1b, 1c, 1d, 2, 3, 4, 7, 7a, by adding subdivisions; repealing Minnesota Statutes 2008, sections 282.01, subdivisions 9, 10, 11; 383A.76.

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

S. F. No. 2846, A bill for an act relating to transportation; modifying provisions governing movement of large vehicles on public streets and highways; making technical changes; repealing certain rules related to motor carriers; amending Minnesota Statutes 2008, sections 169.801, subdivision 5; 169.823, as amended; 169.826, as amended; 169.828, subdivision 1; 169.829; 169.851, subdivision 5; 169.86, subdivisions 1a, 5; 169.862, subdivision 1; 169.863, subdivision 1; 169.864, subdivision 4; 169.871, subdivisions 1, 1a, 1b; Minnesota Statutes 2009 Supplement, sections 169.801, subdivision 10; 169.81, subdivision 3; 169.824, subdivisions 1, 2; 169.8261, subdivisions 1, 2; 169.85, subdivision 2; 169.862, subdivision 2; 169.864, subdivision 2; 169.865, subdivision 1; 169.87, subdivision 2; 221.025; 221.031, subdivision 3; proposing coding for new law in Minnesota Statutes,

chapter 169; repealing Minnesota Statutes 2008, section 169.826, subdivision 6; Minnesota Rules, parts 7800.0100, subparts 4, 6, 7, 8, 11, 12, 13, 14; 7800.0200; 7800.0400; 7800.0800; 7800.0900; 7800.1000; 7800.3200, subpart 2; 7800.3300; 7805.0500; 7805.0900; 7805.1300; 8850.7950; 8850.8000; 8850.8050, subpart 2; 8850.8100; 8850.8250; 8850.8300; 8850.8350; 8850.8800; 8850.8850; 8850.9050, subpart 3; 8855.0410; 8855.0600; 8855.0850; 8920.0100; 8920.0150; 8920.0200; 8920.0300; 8920.0400; 8920.0500; 8920.0600; 8920.0700; 8920.0800; 8920.0900; 8920.1000; 8920.1100; 8920.1200; 8920.1300; 8920.1400; 8920.1500; 8920.1550; 8920.1600; 8920.1700; 8920.1800; 8920.1900; 8920.2000; 8920.2100; 8920.2200; 8920.2300; 8920.2400; 8920.2500; 8920.2600; 8920.2700; 8920.2800; 8920.2900; 8920.3000; 8920.3100; 8920.3200; 8920.3300; 8920.3400; 8920.3500; 8920.3600; 8920.3700; 8920.3800; 8920.3900; 8920.4000; 8920.4100; 8920.4200; 8920.4300; 8920.4400; 8920.4500.

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

S. F. No. 2866, A bill for an act relating to health; modifying provisions for the statewide trauma system; amending Minnesota Statutes 2008, sections 13.3806, subdivision 13; 144.603; 144.605, subdivisions 2, 3, by adding a subdivision; 144.608, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2008, section 144.607.

The bill was read for the first time.

Loeffler moved that S. F. No. 2866 and H. F. No. 3098, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1246, A bill for an act relating to economic development; providing certification for rehabilitation counselors for the blind; amending Minnesota Statutes 2008, section 248.07, by adding a subdivision.

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

S. F. No. 2519, A bill for an act relating to public utilities; requiring disclosure of public utility's travel, entertainment, and related expenses included in rate change request; amending Minnesota Statutes 2008, sections 13.681, by adding a subdivision; 216B.16, by adding a subdivision.

The bill was read for the first time.

Hilstrom moved that S. F. No. 2519 and H. F. No. 2798, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2758, A bill for an act relating to economic development; authorizing the development of a virtual assistance network for Minnesota entrepreneurs.

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

S. F. No. 2989, A bill for an act relating to agriculture; modifying the compensation program for livestock crippled or destroyed by a gray wolf; amending Minnesota Statutes 2008, section 3.737, subdivision 4; Minnesota Statutes 2009 Supplement, section 3.737, subdivision 1.

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

S. F. No. 2996, A bill for an act relating to health; establishing school concession stands as a specific category of food and beverage service establishments; amending Minnesota Statutes 2008, section 157.15, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 157.16, subdivision 3.

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

S. F. No. 3123, A bill for an act relating to unemployment insurance; modifying certain second benefit account benefits.

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

S. F. No. 271, A bill for an act relating to state government; providing additional whistleblower protection to state employees; amending Minnesota Statutes 2008, section 181.932, subdivision 1.

The bill was read for the first time.

Loeffler moved that S. F. No. 271 and H. F. No. 1531, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1886, A bill for an act relating to commerce; regulating contracts and insurance claims for residential roofing goods and services; proposing coding for new law in Minnesota Statutes, chapters 325E; 326B.

The bill was read for the first time.

Sternner moved that S. F. No. 1886 and H. F. No. 2060, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2490, A bill for an act relating to economic development; amending the definition of "green economy" to include the concept of "green chemistry"; amending Minnesota Statutes 2008, section 116J.437, subdivision 1.

The bill was read for the first time.

Knuth moved that S. F. No. 2490 and H. F. No. 2837, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2616, A bill for an act relating to telecommunications; regulating private shared services; clarifying reduced-rate regulation of certain competitive business telecommunication services; authorizing municipalities to grant additional franchise for cable services in certain cases; amending Minnesota Statutes 2008, sections 237.411, subdivision 3; 238.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 237.

The bill was read for the first time.

Juhnke moved that S. F. No. 2616 and H. F. No. 3097, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3052, A bill for an act relating to commerce; modifying the experience requirement for real estate appraisers; amending Minnesota Statutes 2008, section 82B.14.

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

S. F. No. 3091, A bill for an act relating to public safety; conforming medical examination requirements for commercial driver's license to federal law; amending Minnesota Statutes 2008, sections 171.01, by adding subdivisions; 171.04, by adding a subdivision; 171.09, subdivision 1; 171.12, subdivisions 2a, 3; 171.162.

The bill was read for the first time.

Holberg moved that S. F. No. 3091 and H. F. No. 3420, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 987, A bill for an act relating to public safety; eliminating mandate that certain presentence investigations include a description of any adverse social or economic effects the offense has had on persons who reside in the neighborhood where the offense was committed; amending Minnesota Statutes 2008, section 609.115, subdivision 1.

The bill was read for the first time.

Johnson moved that S. F. No. 987 and H. F. No. 1457, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2425, A bill for an act relating to higher education; clarifying disclosure of educational data; amending Minnesota Statutes 2008, section 13.32, subdivision 3.

The bill was read for the first time.

Welti moved that S. F. No. 2425 and H. F. No. 2766, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2469, A bill for an act relating to transportation; regulating contracts; prohibiting indemnification provisions; proposing coding for new law in Minnesota Statutes, chapter 221.

The bill was read for the first time.

Morrow moved that S. F. No. 2469 and H. F. No. 3117, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2580, A bill for an act relating to state government; modifying provisions governing observance of Juneteenth; amending Minnesota Statutes 2008, section 10.55.

The bill was read for the first time.

Champion moved that S. F. No. 2580 and H. F. No. 2928, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3116, A bill for an act relating to public safety; authorizing the collection of DNA from offenders; amending Minnesota Statutes 2008, section 609.117, by adding a subdivision.

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

S. F. No. 2363, A bill for an act relating to public safety; authorizing fire departments to access criminal history data on current employees; amending Minnesota Statutes 2008, section 299F.035.

The bill was read for the first time.

Lesch moved that S. F. No. 2363 and H. F. No. 3130, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2427, A bill for an act relating to property held in trust; clarifying status of certain distributions; changing certain relationship and inheritance provisions; providing for emergency and temporary conservators; amending Minnesota Statutes 2008, sections 501B.64, subdivision 3; 524.1-201; 524.2-114; Minnesota Statutes 2009 Supplement, section 524.5-409; proposing coding for new law in Minnesota Statutes, chapter 524.

The bill was read for the first time.

Hortman moved that S. F. No. 2427 and H. F. No. 2825, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2517, A bill for an act relating to judiciary; authorizing the court to furnish copies of documents in CD Rom or DVD Rom disc to the public defender at no charge; amending Minnesota Statutes 2008, section 611.271.

The bill was read for the first time.

Hilstrom moved that S. F. No. 2517 and H. F. No. 2991, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2717, A bill for an act relating to human services; including sexual contact in secure treatment facilities as criminal sexual conduct in the third and fourth degrees; amending Minnesota Statutes 2008, sections 609.341, by adding a subdivision; 609.344, subdivision 1; 609.345, subdivision 1.

The bill was read for the first time.

Morrow moved that S. F. No. 2717 and H. F. No. 3191, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2773, A bill for an act relating to public safety; establishing a sale of or possession of salvia divinorum crime; providing for a penalty; amending Minnesota Statutes 2008, section 152.027, by adding a subdivision.

The bill was read for the first time.

Lanning moved that S. F. No. 2773 and H. F. No. 2975, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2945, A bill for an act relating to public safety; amending a definition related to child pornography; amending Minnesota Statutes 2008, section 617.246, subdivision 1.

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

S. F. No. 2370, A bill for an act relating to motor vehicles; prohibiting vehicle dealers from selling vehicles that do not comply with vehicle equipment and material requirements; prohibiting sale of illegally tinted motor vehicle windows; amending Minnesota Statutes 2008, sections 168.27, by adding a subdivision; 169.71, by adding a subdivision; repealing Minnesota Statutes 2008, section 168.27, subdivision 30.

The bill was read for the first time.

Mariani moved that S. F. No. 2370 and H. F. No. 2914, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2759, A bill for an act relating to the State Building Code; modifying municipal enforcement provisions; amending Minnesota Statutes 2008, sections 326B.106, subdivision 4; 326B.121, subdivision 2.

The bill was read for the first time.

Mahoney moved that S. F. No. 2759 and H. F. No. 2945, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2808, A bill for an act relating to liquor; clarifying a license provision for the city of Minneapolis; allowing the State Fair to issue liquor licenses; authorizing various on-sale licenses; amending Minnesota Statutes 2008, sections 37.21; 340A.404, subdivisions 2, 5; 340A.419, as amended; Laws 2009, chapter 120, section 16.

The bill was read for the first time.

Atkins moved that S. F. No. 2808 and H. F. No. 3186, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3127, A bill for an act relating to environment; delaying local ordinance adoption requirements regarding subsurface sewage treatment systems; requiring a report.

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

S. F. No. 2364, A bill for an act relating to higher education; increasing the revenue bond limit of the higher education facilities authority; amending Minnesota Statutes 2008, section 136A.29, subdivision 9.

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

S. F. No. 2559, A bill for an act relating to real estate; making a conforming change to provide for the right of the borrower to obtain a postponement of a foreclosure sale that has a 12-month redemption period, as is now available for a six-month redemption period; amending Minnesota Statutes 2009 Supplement, section 580.07, subdivisions 2, 3.

The bill was read for the first time.

Mullery moved that S. F. No. 2559 and H. F. No. 2708, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2722, A bill for an act relating to interest rates; exempting eminent domain awards and property tax adjustments and refunds from increased interest rates on certain judgments; amending Minnesota Statutes 2008, sections 117.195, subdivision 1; 278.08.

The bill was read for the first time.

Marquart moved that S. F. No. 2722 and H. F. No. 3085, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2825, A bill for an act relating to commerce; modifying continuing education provisions; amending insurance laws involving insurance company rehabilitation and liquidation, group life insurance, the use of mortality tables, the Life and Health Insurance Guaranty Association, and mutual insurance companies; regulating fraternal benefit societies; amending Minnesota Statutes 2008, sections 60B.03, by adding subdivisions; 61A.09, by adding a subdivision; 61A.257, subdivisions 2, 3; 61B.19, subdivision 3; 61B.28, subdivision 7; 64B.19, by adding a subdivision; 66A.40, subdivision 11; 66A.42; Minnesota Statutes 2009 Supplement, sections 45.31, subdivision 3; 60K.56, subdivision 6; 61B.19, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 60B; 64B.

The bill was read for the first time.

Atkins moved that S. F. No. 2825 and H. F. No. 3146, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2415, A bill for an act relating to transportation; exempting certain school buses from child passenger restraint requirements; amending Minnesota Statutes 2008, section 169.685, subdivision 6.

The bill was read for the first time.

Hortman moved that S. F. No. 2415 and H. F. No. 3080, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2437, A bill for an act relating to public safety; recodifying and clarifying the domestic abuse no contact order law; expanding the tampering with a witness crime; increasing the maximum bail for nonfelony domestic assault and domestic abuse order for protection violations; clarifying the requirement that the data communications network include orders for protection and no contact orders; exempting certain domestic abuse or sexual attack programs from data practices requirements; extending area for protection to a reasonable area around residence or dwelling in ex parte orders for protection; modifying crime of stalking; authorizing a pilot project to

allow judges to order electronic monitoring for domestic abuse offenders on pretrial release; imposing criminal penalties; amending Minnesota Statutes 2008, sections 299C.46, subdivision 6; 518B.01, subdivision 7; 609.498, subdivision 3, by adding a subdivision; 609.749; 629.471, subdivision 3, by adding a subdivision; 629.72, subdivisions 1, 2a; proposing coding for new law in Minnesota Statutes, chapters 13; 629; repealing Minnesota Statutes 2008, section 518B.01, subdivision 22.

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

S. F. No. 2533, A bill for an act relating to natural resources; modifying management provisions for certain park land; modifying payments in lieu of taxes for certain park land; amending Minnesota Statutes 2008, section 477A.17; Laws 2008, chapter 365, section 24, subdivision 2, as amended.

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

S. F. No. 2695, A bill for an act relating to health; modifying mandatory reporting requirements related to pregnant women; amending Minnesota Statutes 2008, section 626.5561, subdivision 1.

The bill was read for the first time.

Ruud moved that S. F. No. 2695 and H. F. No. 3059, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3145, A bill for an act relating to public safety; establishing use of weight of fluid used in a water pipe when determining weight or amount of controlled substance; amending Minnesota Statutes 2008, sections 152.01, subdivisions 9a, 16; 152.021, subdivision 2; 152.022, subdivision 2; 152.023, subdivision 2.

The bill was read for the first time.

Kahn moved that S. F. No. 3145 and H. F. No. 2757, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

MOTIONS AND RESOLUTIONS

Gardner moved that the name of Poppe be added as an author on H. F. No. 1217. The motion prevailed.

Johnson moved that the name of Sterner be added as an author on H. F. No. 2639. The motion prevailed.

Lenczewski moved that the name of Benson be added as an author on H. F. No. 2695. The motion prevailed.

Hansen moved that the name of Sterner be added as an author on H. F. No. 2882. The motion prevailed.

Koenen moved that the name of Persell be added as an author on H. F. No. 2956. The motion prevailed.

Lanning moved that the name of Bigham be added as an author on H. F. No. 2975. The motion prevailed.

Mahoney moved that the name of Hayden be added as an author on H. F. No. 3205. The motion prevailed.

Greiling moved that the name of Lillie be added as an author on H. F. No. 3312. The motion prevailed.

Rukavina moved that the name of Hayden be added as an author on H. F. No. 3448. The motion prevailed.

Nornes moved that the name of Ruud be added as an author on H. F. No. 3471. The motion prevailed.

Ward moved that the name of Sterner be added as an author on H. F. No. 3500. The motion prevailed.

McNamara moved that his name be stricken as an author on H. F. No. 3512. The motion prevailed.

Falk moved that the name of Sailer be added as an author on H. F. No. 3728. The motion prevailed.

Thissen moved that the name of Clark be added as an author on H. F. No. 3742. The motion prevailed.

ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, April 6, 2010. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Tuesday, April 6, 2010.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

