The House of Representatives convened at 12:00 noon and was called to order by Paul Thissen, Speaker pro tempore.

Prayer was offered by the Reverend Duane V. Sarazin, River Hills United Methodist Church, Burnsville, 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:

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<th>Abeler</th>
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A quorum was present.

Emmer was excused

Lillie and Slawik were excused until 2:10 p.m. Kelliher and Marian were excused until 3:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Holberg moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.
REPORTS OF CHIEF CLERK

S. F. No. 2918 and H. F. No. 3281, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Murphy, M., moved that the rules be so far suspended that S. F. No. 2918 be substituted for H. F. No. 3281 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

MOTION TO TAKE FROM THE TABLE

Kohls moved that H. F. No. 2323, Chapter No. 179, vetoed by the Governor on May 21, 2009 and returned to the House and laid on the table pursuant to Joint Rule 3.02(c), be now taken from the table.

A roll call was requested and properly seconded.

The question was taken on the Kohls motion and the roll was called. There were 46 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Abeler  Davids  Garofalo  Kelly  McNamara  Shimanski  
Anderson, B.  Dean  Gottwald  Kiffmeyer  Murdock  Smith  
Anderson, P.  Demmer  Gunther  Kohls  Nornes  Torkelson  
Anderson, S.  Dettmer  Hackbart  Lanning  Peppin  Udahl  
Beard  Doepke  Hamilton  Loon  Sanders  Westrom  
Brod  Downey  Holberg  Mack  Scott  Zellers  
Buesgens  Drazkowski  Hoppe  Magnus  Seifert  
Cornish  Eastlund  Howes  McFarlane  Severson

Those who voted in the negative were:

Anzelc  Doty  Hortman  Liebling  Obermueller  Sertich  
Atkins  Eken  Hosch  Lieder  Olin  Simon  
Benson  Falk  Huntley  Loeffler  Otremba  Slocum  
Bigham  Faust  Jackson  Mahoney  Paymar  Solberg  
Bly  Fritz  Johnson  Marquart  Pelowski  Sterner  
Brown  Gardner  Juhnke  Masin  Persell  Swails  
Brynaert  Greiling  Kahn  Morgan  Peterson  Thao  
Bunn  Hansen  Kalin  Morrow  Poppe  Thissen  
Carlson  Hausman  Kath  Mullery  Reimert  Tillberry  
Champion  Haws  Knuth  Murphy, E.  Rosenthal  Wagenius  
Clark  Hayden  Koenen  Murphy, M.  Rukavina  Ward  
Davnie  Hilstrom  Laine  Nelson  Ruud  Welti  
Dill  Hilty  Lenczewski  Newton  Sailer  Winkler  
Dittrich  Hornstein  Lesch  Norton  Scalze

The motion did not prevail.
REPORTS OF STANDING COMMITTEES AND DIVISIONS

Pelowski from the Committee on State and Local Government Operations Reform, Technology and Elections to which was referred:

H. F. No. 2227, A bill for an act relating to local government; reestablishing the Board of Innovation; imposing powers and duties on the board; appropriating money; amending Minnesota Statutes 2008, section 3.971, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 465.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

STRATEGIC PLAN

Section 1. STRATEGIC PLAN REPORT.

By January 15, 2011, the Minnesota Innovation and Research Council shall report to the governor and the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over state government policy and finance with a strategic plan containing findings and recommendations to improve state and local government delivery of public services. The strategic plan must specify:

(1) how to enhance the public involvement and input as the public uses state and local government services and public schools;

(2) how technology can be leveraged to reduce costs and enhance quality;

(3) how service innovation will increase value or results per dollar spent; and

(4) the design for a platform that will facilitate high-quality innovation and evaluate state and local government structural redesign in the future.

The strategic plan shall also provide a process to review and modify recommendations at regular intervals in the future based on specific results measured at regular intervals.

The strategic plan shall also include any proposed legislation necessary to implement the council's recommendations.

ARTICLE 2

MINNESOTA INNOVATION AND RESEARCH COUNCIL

Section 1. Minnesota Statutes 2008, section 3.971, is amended by adding a subdivision to read:

Subd. 9. Recommendations to the Minnesota Innovation and Research Council. The legislative auditor may make recommendations to the Minnesota Innovation and Research Council established under section 465.7902 that will assist the council in accomplishing its duties.
Sec. 2. [465.7901] DEFINITIONS.

Subdivision 1. Agency. "Agency" means a department, agency, board, or other instrumentality of state government that has jurisdiction over an administrative rule or law from which a waiver is sought under section 465.7903. If no specific agency has jurisdiction over such a law, agency refers to the attorney general.


Subd. 3. Local government unit. "Local government unit" means a county, home rule charter or statutory city, school district, town, or special taxing district.

Subd. 4. Metropolitan agency. "Metropolitan agency" has the meaning given in section 473.121, subdivision 5a.

Subd. 5. Metropolitan area. "Metropolitan area" has the meaning given in section 473.121, subdivision 2.


Subd. 7. Scope. As used in sections 465.7901 to 465.7907 and 465.805 to 465.808, the terms defined in this section have the meanings given them.

Sec. 3. [465.7902] MINNESOTA INNOVATION AND RESEARCH COUNCIL.

Subdivision 1. Membership. The Minnesota Innovation and Research Council consists of 15 members, appointed as follows:

(1) two members of the senate, appointed by the Subcommittee on Committees of the Senate Committee on Rules and Administration;

(2) two members of the house of representatives, appointed by the speaker of the house;

(3) the commissioner of management and budget;

(4) the commissioner of administration;

(5) the state chief information officer;

(6) an administrative law judge appointed by the chief administrative law judge;

(7) the state auditor;

(8) two members with a background in academic research concerning system redesign and delivery, including one member appointed by the chancellor of the Minnesota State Colleges and Universities and one member appointed by the president of the University of Minnesota;

(9) one member with experience in the leadership of nonprofit organizations, appointed by the Minnesota Council of Nonprofits;

(10) one member with experience in foundation leadership appointed by the Minnesota Council on Foundations;
(11) one member with experience as a leader of a for-profit corporation, appointed by the Minnesota Chamber of Commerce; and

(12) one member representing public employees appointed by the American Federation of State, County and Municipal Employees.

All members must have experience or interest in the work of system redesign or public sector innovation. The legislative members serve as nonvoting members. Only members designated in clauses (3) to (7) may vote on proposed rule or law waivers under section 465.7903. A commissioner serving on the council may designate an employee from the commissioner's agency to serve as the commissioner's designee. A person registered as a lobbyist under chapter 10A may not be a member of the council.

Subd. 2. Duties of council. The council shall:

(1) accept applications from local government units and nonprofit organizations for waivers of administrative rules and temporary, limited exemptions from enforcement of procedural requirements in state law as provided in section 465.7903, and determine whether to approve, modify, or reject the application;

(2) accept applications for grants to local government units and related organizations proposing to design models or plans for innovative service delivery and management as provided in section 465.7905, and determine whether to approve, modify, or reject the application;

(3) accept applications from eligible local government units for service-sharing grants as provided in section 465.7905, and determine whether to approve, modify, or reject the application;

(4) make recommendations to the legislature for the authorization of pilot projects for the implementation of innovative service delivery activities that require statutory authorization;

(5) make recommendations to the legislature regarding the elimination of state mandates that inhibit local government efficiency, innovation, and cooperation by prescribing specific processes for achieving a desired outcome;

(6) investigate and review the role of unfunded state mandates in intergovernmental relations and assess their impact on state and local government objectives and responsibilities;

(7) make recommendations to the governor and the legislature regarding:

(i) allowing flexibility for local units of government in complying with specific unfunded state mandates for which terms of compliance are unnecessarily rigid or complex;

(ii) reconciling any two or more unfunded state mandates that impose contradictory or inconsistent requirements;

(iii) terminating unfunded state mandates that are duplicative, obsolete, or lacking in practical utility;

(iv) suspending, on a temporary basis, unfunded state mandates that are not vital to public health and safety and that compound the fiscal difficulties of local units of government, including recommendations for initiating the suspensions;

(v) consolidating or simplifying unfunded state mandates or the planning or reporting requirements of the mandates, in order to reduce duplication and facilitate compliance by local units of government with those mandates; and
(vi) establishing common state definitions or standards to be used by local units of government in complying with unfunded state mandates that use different definitions or standards for the same terms or principles;

(8) identify relevant unfunded state mandates;

(9) facilitate proposals for grants made by eligible applicants; and

(10) make recommendations on topics to the Legislative Audit Commission for program evaluations that are likely to result in recommendations that will improve the cost-effective delivery of government services.

The duties imposed under clauses (6) to (10) must be performed to the extent possible given existing resources.

Each recommendation under clause (7) must, to the extent practicable, identify the specific unfunded state mandates to which the recommendation applies. The commissioners or directors of state agencies responsible for the promulgation or enforcement of the unfunded mandates addressed in clauses (5) to (10) shall assist the council in carrying out the council's duties under this section.

Subd. 3. Additional coordinating functions. The council may also:

(1) serve as a clearinghouse for existing ideas and information from community leaders;

(2) provide a Web site where interested parties may share information and practices;

(3) receive recommendations from the legislative auditor concerning waivers and other initiatives within the council's jurisdiction;

(4) conduct research concerning innovation in service delivery and local government efficiency, innovation, and cooperation;

(5) facilitate regional dialogue concerning successful innovation and collaboration; and

(6) use its best efforts to maximize public involvement in its work, including the use of best practices in social media.

Subd. 4. Staff. The council shall hire an executive director who serves as the state's chief innovation officer.

The council may hire other staff or consultants as necessary to perform its duties. The commissioner of administration must provide administrative support services to the council.

Subd. 5. Terms, compensation, and removal. Members serve at the pleasure of the appointing authority.

Compensation of members is governed by section 15.0575, unless otherwise provided.

Sec. 4. [465.7903] RULE AND LAW WAIVER REQUESTS.

Subdivision 1. Generally. (a) Except as provided in paragraph (b), a local government unit or a nonprofit organization may request the Minnesota Innovation and Research Council to grant a waiver from one or more administrative rules or a temporary, limited exemption from enforcement of state procedural laws governing delivery of services by the local government unit or nonprofit organization. Two or more local government units may submit a joint application for a waiver or exemption under this section if they propose to cooperate in providing a service or program that is subject to the rule or law. Before a local unit of government may submit an application to the council, the governing body of the local government unit must approve, in concept, the proposed waiver or exemption at a meeting required to be public under chapter 13D. A waiver or exemption granted to a nonprofit organization under this section applies to services provided to all of the organization's clients.
(b) A school district that is granted a variance from rules of the commissioner of education under section 122A.163 need not apply to the council for a waiver of those rules under this section. A school district may not seek a waiver of rules under this section if the commissioner of education has authority to grant a variance to the rules under section 122A.163. This paragraph does not preclude a school district from being included in a cooperative effort with another local government unit under this section.

Subd. 2. Application. (a) A local government unit or nonprofit organization requesting a waiver of a rule or exemption from enforcement of a law under this section shall present a written application to the council. The application must include:

(1) identification of the service or program at issue;

(2) identification of the administrative rule or the law imposing a procedural requirement with respect to which the waiver or exemption is sought; and

(3) a description of the improved service outcome sought, including an explanation of the effect of the waiver or exemption in accomplishing that outcome.

(b) A local government unit submitting an application must provide a copy to the exclusive representative certified under section 179A.12 to represent employees who provide the service or program affected by the requested waiver or exemption.

Subd. 3. Review process. (a) Upon receipt of an application, the council shall commence review of the application, as provided in this subdivision. The council shall dismiss an application if it finds that the application proposes a waiver of rules or exemption from enforcement of laws that would result in due process violations, violations of federal law or the state or federal constitution, or the loss of services to people who are entitled to them. If the council does not dismiss an application, the council must publish notice in the State Register before it acts on the application. The notice must list the name of the local government unit or nonprofit organization requesting the waiver or exemption, the service or program at issue, and the rule or law with respect to which the waiver of exemption is sought.

(b) The council shall determine whether a law from which an exemption for enforcement is sought is a procedural law, specifying how a local government unit or nonprofit organization is to achieve an outcome, rather than a substantive law prescribing the outcome or otherwise establishing policy. For the purposes of this section, "procedural law" does not include a statutory notice requirement. In making its determination, the council shall consider whether the law specifies such requirements as:

(1) who must deliver a service;

(2) where the service must be delivered;

(3) to whom and in what form reports regarding the service must be made; and

(4) how long or how often the service must be made available to a given recipient.

(c) If a member of the council also is a commissioner, a commissioner's designee, or the state auditor, or is employed by an agency with jurisdiction over a rule or law affected by an application, the member must not participate in the decision on the particular waiver or exemption.

(d) If the application is submitted by a local government unit or a nonprofit organization in the metropolitan area or the unit or nonprofit organization requests a waiver of a rule or temporary, limited exemptions from enforcement of a procedural law over which the Metropolitan Council or a metropolitan agency has jurisdiction, the council shall
also transmit a copy of the application to the Metropolitan Council for review and comment. The Metropolitan Council shall report its comments to the council within 60 days of the date the application was transmitted to the Metropolitan Council. The Metropolitan Council may point out any resources or technical assistance it may be able to provide a local government unit or nonprofit organization submitting a request under this section.

(e) Within 15 days after receipt of the application, the council shall transmit a copy of it to the commissioner of each agency having jurisdiction over a rule or law from which a waiver or exemption is sought. The agency may mail a notice that it has received an application for a waiver or exemption to all persons who have registered with the agency under section 14.14, subdivision 1a, identifying the rule or law from which a waiver or exemption is requested. If no agency has jurisdiction over the rule or law, the council shall transmit a copy of the application to the attorney general. The agency shall inform the council of its agreement with or objection to and grounds for objection to the waiver or exemption request within 60 days of the date when the application was transmitted to it. An agency’s failure to respond under this paragraph is considered agreement to the waiver or exemption. The council shall decide whether to grant a waiver or exemption at its next regularly scheduled meeting following its receipt of an agency's response or the end of the 60-day response period. If consideration of an application is not concluded at that meeting, the matter may be carried over to the next meeting of the council. Interested persons may submit written comments to the council on the waiver or exemption request up to the time of its vote on the application.

(f) If the exclusive representative of the affected employees of the requesting local government unit objects to the waiver or exemption request, it may inform the council of the objection to and the grounds for the objection to the waiver or exemption request within 60 days of the receipt of the application.

Subd. 4. Hearing. If the agency or the exclusive representative does not agree with the waiver or exemption request, the council shall set a date for a hearing on the application. The hearing must be conducted informally at a meeting of the council. Persons representing the local government unit shall present their request for the waiver or exemption, and a representative from the agency shall explain the agency's objection to the waiver or exemption. Members of the council may request additional information from either party. The council may also request, either before or at the hearing, information or comments from representatives of business, labor, local governments, state agencies, consultants, and members of the public. If necessary, the hearing may be continued at a subsequent council meeting. A waiver or exemption requires a majority vote of the council members. The council may modify the terms of the waiver or exemption request in arriving at the agreement required under subdivision 5.

Subd. 5. Conditions of agreements. (a) If the council grants a request for a waiver or exemption, the council and the entity making the request shall enter into an agreement providing for the delivery of the service or program that is the subject of the application. The agreement must specify desired outcomes and the means of measurement by which the council will determine whether the outcomes specified in the agreement have been met. The agreement must specify the duration of the waiver or exemption. The duration of a waiver from an administrative rule may be for no less than two years and no more than four years, subject to renewal if both parties agree. An exemption from enforcement of a law terminates ten days after adjournment of the regular legislative session held during the calendar year following the year when the exemption is granted, unless the legislature has acted to extend or make permanent the exemption.

(b) If the council grants a waiver or exemption, it must report the waiver or exemption to the legislature, including the chairs of the governmental operations and appropriate policy committees in the house of representatives and senate, and the governor within 30 days.

(c) The council may reconsider or renegotiate the agreement if the rule or law affected by the waiver or exemption is amended or repealed during the term of the original agreement. A waiver of a rule under this section has the effect of a variance granted by an agency under section 14.055. The recipient of an exemption from enforcement of a procedural requirement in state law under this section is exempt from that law for the duration of the exemption. The council may require periodic reports from the recipient, or conduct investigations of the service or program.
Subd. 6. **Enforcement.** If the council finds that the recipient of a waiver or an exemption has failed to comply with the terms of the agreement under subdivision 5, it may rescind the agreement. After an agreement is rescinded, the recipient is subject to the rules and laws covered by the agreement.

Subd. 7. **Access to data.** If the recipient of a waiver or an exemption through a cooperative program under this section gains access to data that is classified as not public, the access to and use of the data for the recipient is governed by the same restrictions on access to and use of the data that apply to the unit that collected, created, received, or maintained the data.

Sec. 5. **[465.7904] WAIVERS OF STATE RULES; POLICIES.**

Subdivision 1. **Application.** A state agency may apply to the council for a waiver from:

1. an administrative rule or policy adopted by the commissioner of management and budget that deals with the state personnel system;
2. an administrative rule or policy of the commissioner of administration that deals with the state procurement system; or
3. a policy of the commissioner of management and budget that deals with the state accounting system.

Two or more state agencies may submit a joint application. A waiver application must identify the rule or policy at issue, and must describe the improved outcome sought through the waiver.

Subd. 2. **Review process.** (a) The council shall review all applications submitted under this section. The council shall dismiss an application if it finds that the application proposes a waiver that would result in due process violations, violations of federal law or the state or federal constitution, or the loss of services to people who are entitled to them. If a proposed waiver would violate the terms of a collective bargaining agreement effective under chapter 179A, the waiver is not effective without the consent of the exclusive representative that is a party to the agreement. The council may approve a waiver only if the council determines that if the waiver is granted:

1. services can be provided in a more efficient or effective manner; and
2. services related to human resources must be provided in a manner consistent with section 43A.01.

In the case of a waiver from a policy of the commissioner of management and budget, the council may approve the waiver only if it determines that services will be provided in a more efficient or effective manner and that state funds will be adequately accounted for and safeguarded in a manner that complies with generally accepted government accounting principles.

(b) Within 15 days of receipt of the application, the council shall send a copy of the application to:

1. the agency whose rule or policy is involved; and
2. all exclusive representatives who represent employees of the agency requesting the waiver. The agency whose rule or policy is involved may mail a copy of the application to all persons who have registered with the agency under section 14.14, subdivision 1a.

(c) The agency whose rule or policy is involved or an exclusive representative shall notify the council of its agreement with or objection to and grounds for objection to the waiver within 60 days of the date when the application was transmitted to the agency or the exclusive representative. An agency's or exclusive representative's failure to respond under this paragraph is considered agreement to the waiver.

(d) If the agency or the exclusive representative objects to the waiver, the council shall schedule a meeting at which the agency requesting the waiver may present its case for the waiver and the objecting party may respond. The council shall decide whether to grant a waiver at its next regularly scheduled meeting following its receipt of an agency's response, or the end of the 60-day response period, whichever occurs first. If consideration of an application is not concluded at the meeting, the matter may be carried over to the next meeting of the council. Interested persons may submit written comments to the council on the waiver request.
(e) If the council grants a request for a waiver, the council and the agency requesting the waiver shall enter into an agreement relating to the outcomes desired as a result of the waiver and the means of measurement to determine whether those outcomes have been achieved with the waiver. The agreement must specify the duration of the waiver, which must be for at least two years and not more than four years. If the council determines that an agency that has received a waiver is failing to comply with the terms of the agreement, the council may rescind the agreement.

Subd. 3. Participation. If a waiver request involves a rule or policy adopted by an official specified in section 465.7902, subdivision 1, clauses (3) to (7), that official may not participate in the evaluation of that waiver request.

Sec. 6. [465.7905] INNOVATION AND REDESIGN GRANTS.

Subdivision 1. Application. One or more local units of government, an association of local governments, the Metropolitan Council, a local unit of government acting in conjunction with an organization or a state agency, an organization established by two or more local units of government under a joint powers agreement, or a not-for-profit organization may apply to the Minnesota Innovation and Research Council for a grant to be used to:

(1) develop models for service redesign; or (2) meet the start-up costs of providing shared services or functions.

Agreements solely to make joint purchases do not qualify for grants. The application must specify a nonstate funding source for 25 percent of the total cost of the proposal. The application to the council must state what other sources of funding have been considered by the local units of government to implement the project and explain why it is not possible to complete the project without assistance from the council. The council may not award a grant if it determines that the local units of government could complete the project without council assistance or if it determines the applicant has not specified a nonstate funding source for 25 percent of the total cost. A copy of the application must be provided by the units to the exclusive representatives certified under section 179A.12 to represent employees who provide the service or program affected by the application.

Subd. 2. Proposals. (a) Proposed models for service redesign may provide options to local governments, neighborhood or community organizations, other not-for-profit organizations, or individuals to redesign service delivery. In awarding grants under this paragraph, the council must consider whether the proposal:

(1) expands consumer choices and opportunities;

(2) shifts government toward an expanded role as a purchaser, rather than a provider, of services;

(3) reduces administrative costs through statewide or regional contracting, or related administrative efficiencies;

(4) reduces administrative costs through the accumulation of multiple related services into a single contract with one provider, or related administrative efficiencies;

(5) fosters entrepreneurial leadership in the public sector; and

(6) increases value to the taxpayer or results per dollar spent.

(b) A proposal for a grant for shared services or functions must include plans to fully integrate a service or function provided by two or more local government units. The proposal must include how value for the taxpayer or results per dollar spent will be impacted.

Subd. 3. Requirements. A copy of the work product for which the grant was provided must be furnished to the council upon completion, and the council may disseminate it to other local units of government or interested groups. If the council finds that the work was not completed or implemented according to the terms of the grant agreement, it may require the grantee to repay all or a portion of the grant. The council shall award grants on the basis of each
qualified applicant's score under the scoring system in section 465.7906. The amount of a grant under subdivision 2, paragraph (a), may not exceed $250,000. The amount of a grant under subdivision 2, paragraph (b), may not exceed $100,000.

Sec. 7. [465.7906] SCORING SYSTEM.

In deciding whether to award a grant under section 465.7905, the council shall use the following scoring system:

(1) Up to 15 points must be awarded to reflect the extent to which the application demonstrates creative thinking, careful planning, cooperation, involvement of the clients of the affected service, and commitment to persist through challenges.

(2) Up to 25 points must be awarded to reflect the extent to which the proposed project is likely to improve the quality of the service, increase value to the taxpayers or results per dollar spent, and to have benefits for other local governments.

(3) Up to 15 points must be awarded to reflect the extent to which the application's budget provides sufficient detail, maximizes the use of state funds, documents the need for financial assistance, commits to local financial support, and limits expenditures to essential activities.

(4) Up to 15 points must be awarded to reflect the extent to which the application reflects the statutory goal of the grant program.

(5) Up to 15 points must be awarded to reflect the merit of the proposed project and the extent to which it warrants the state's financial participation.

(6) Up to five points must be awarded to reflect the cost to benefit ratio projected for the proposed project.

(7) Up to five points must be awarded to reflect the number of government units participating in the proposal.

(8) Up to five points must be awarded to reflect the minimum length of time the application commits to implementation.

Sec. 8. [465.7907] REPAYMENT OF GRANTS.

Subdivision 1. Repayment procedures. Without regard to whether a grant recipient offered to repay the grant in its original application, as part of a grant awarded under section 465.7905, the council may require the grant recipient to repay all or part of the grant if the council determines the project funded by the grant resulted in an actual savings for the participating local units of government. The grant agreement must specify how the savings are to be determined and the period of time over which the savings will be used to calculate a repayment requirement. The repayment of grant money under this section must not exceed an amount equal to the total savings achieved through the implementation of the project.

Subd. 2. Bonus points. In addition to the points awarded to competitive grant applications under section 465.7906, the council shall award additional points to any applicant that projects a potential cost savings through the implementation of its project and offers to repay part or all of the grant under the formula in subdivision 1.

Subd. 3. Use of repayment revenue. All grant money repaid to the council under this section is appropriated to the council for additional grants authorized by section 465.7905.
Subdivision 1. Research topics. The council shall periodically select policy innovation topics suitable for review and analysis by a consortium of independent organizations. Topics may include general or specific functions of state government. The council shall give primary consideration to areas of concern where a comprehensive review and analysis of available research is likely to yield recommendations for policy changes that will provide significant efficiencies and improvements in the operation of state government and an increase in value to the taxpayer. Legislators and legislative committees may provide the council with recommendations for topics. The council shall make the final determination regarding the selection of topics under this section.

Subd. 2. Request for proposal process. (a) After making the determination of a research topic under subdivision 1, the council shall prepare a request for proposal relating to the topic that specifies:

(1) the precise topic and scope of the research required for the report to the commission;

(2) the deadlines for the response to the request for proposal and for the subsequent report; and

(3) any other restrictions or guidelines required by the commission.

The council shall make the request for proposal publicly available and must review responses from any interested party. A group of individuals or organizations may submit a response. The council may encourage the development of a collaborative design lab containing a cross-section of researchers and public sector designers from various nonprofits, businesses, foundations, and education institutions to respond to the request for proposal.

(b) After the deadline for submission of responses has expired, the council must hold a hearing to consider all submissions. The council shall consider the following factors in selecting a response to the request for proposal:

(1) the experience and training of individuals and organizations who will prepare the report to the commission;

(2) the reliability and credibility of individuals and organizations who will prepare the report;

(3) the proposed method of research; and

(4) the resources available for the preparation of the report.

(c) After consideration and hearing of the responses to the request for proposal, the council may:

(1) select a submission;

(2) revise the original request for proposal and extend the deadline for responses; or

(3) terminate the request for proposal process for the selected topic.

The chief innovation officer shall periodically communicate with the researchers to make sure they are focused on answering the questions outlined in the request for proposals.

Subd. 3. Reports to council. The council shall hold a hearing to receive a report prepared under this section and shall ensure that the governor and the relevant committees in the legislature are provided with notice of the report and an opportunity to review the report, including an opportunity for additional hearings.
Sec. 10. [465.808] RECEIPTS; APPROPRIATION.

(a) The council may charge a fee for the use of services provided by the council's staff. The receipts from fees charged under this section are deposited in a special revenue account and appropriated to the council for services provided under sections 465.7901 to 465.808.

(b) The council may accept gifts and grants. Money received under this paragraph is deposited in a special revenue account and appropriated to the council for services provided under sections 465.7901 to 465.808.

Sec. 11. [465.809] GUARANTEEING INCREASED VALUE TO THE TAXPAYER.

Subdivision 1. Report. The council shall report by January 15 each year to the governor and appropriate committees of the house of representatives and senate on its activities. The report shall include the amount of the council's net spending, the amount of savings and the increased outcomes to the taxpayer that was identified by the council, and the actual documented savings to state and local governments. Entities receiving grants or waivers from the council must document and verify savings to the taxpayer from the previous year's budgets.

Subd. 2. Savings and increased value. The council must make every effort to obtain $3 in savings and show increased value to the taxpayer for each net state dollar spent by the council.

Subd. 3. Innovative practices. The council shall promote and drive innovative practices and must make annual recommendations to the legislature. One or all of these recommendations may be in partnership with an individual, foundations, nonprofits, or businesses. The council may make endorsements of proposals of individuals, foundations, nonprofits, or businesses when making recommendations. The council must make annual recommendations to:

(1) recommend at least $20 in savings and show increased outcomes to the taxpayer for each net state dollar spent by the council. These savings may be spread out over various budget items;

(2) recommend policy changes that will quantifiably improve desired outcome attainment to the taxpayer as compared to dollars spent. This shall not be limited to efficiency but may also include developing new approaches to achieve desired outcomes;

(3) highlight existing innovative practices or partnerships in the state; and

(4) recommend innovative models, which may include state and local government structural redesign from across the country to the legislature; highlight innovative practices from past or contemporary reports; recommend evidence-based service delivery methods for this state; or recommend theory-based working models of approaches to policy.

Sec. 12. APPROPRIATIONS.

$350,000 is appropriated from the general fund for the fiscal year ending June 30, 2011, to the Minnesota Innovation and Research Council for the following purposes:

(1) operation and administration of the council;

(2) grants for models for service redesign;

(3) grants for shared services and functions;
(4) policy innovation and research; and

(5) the strategic plan report under article 1, section 1.

The appropriations in this section are contingent on receiving a dollar-for-dollar match from private sources.

Sec. 13. REPEALER.

Minnesota Statutes 2008, section 6.80, is repealed.

Delete the title and insert:

"A bill for an act relating to local government; establishing Minnesota Innovation and Research Council; imposing powers and duties of council; appropriating money; amending Minnesota Statutes 2008, section 3.971, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 465; repealing Minnesota Statutes 2008, section 6.80."

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 3051, A bill for an act relating to state lands; modifying method of determining value of acquired stream easements; providing for designation of certain state forest boundaries; modifying state forest acquisition provisions; permitting the exchange of riparian lands within the Boundary Waters Canoe Area Wilderness; establishing a moratorium on public access development for public waters without a public access; adding to and deleting from state parks and state forests; providing for disposition of certain proceeds; requiring designation of certain school trust land as aquatic management area; authorizing and modifying public and private sales, conveyances, and exchanges of certain state land; amending Minnesota Statutes 2008, sections 84.0272, subdivision 2; 85.012, subdivision 40; 89.021, by adding a subdivision; 89.032, subdivision 2; 94.342, by adding a subdivision; 97A.141, subdivision 1; Laws 2009, chapter 176, article 4, section 9.

Reported the same back with the following amendments:

Page 8, delete section 13

Page 41, line 31, delete "58" and insert "57"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete everything after the semicolon

Page 1, line 9, delete "as aquatic management area;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.
Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 3124, A bill for an act relating to game and fish; modifying aquaculture provisions; modifying provisions for taking, possessing, and transporting wild animals; modifying requirements for fish and wildlife management plans; modifying game and fish license provisions; amending Minnesota Statutes 2008, sections 17.4982, subdivision 12, by adding a subdivision; 17.4991, subdivision 3; 17.4994; 84.942, subdivision 1; 84D.03, subdivision 3; 84D.11, subdivision 2a; 97A.015, subdivision 52; 97A.101, subdivision 3; 97A.311, subdivision 5; 97A.331, subdivision 4; 97A.345; 97A.405, subdivision 2; 97A.421, subdivision 4a; 97A.433, by adding a subdivision; 97A.435, subdivisions 1, 4; 97A.502; 97A.535, subdivision 2a; 97A.545, subdivision 5; 97B.015, subdivision 5a; 97B.022, subdivision 2; 97B.031, subdivision 5; 97B.075; 97B.106, subdivision 1; 97B.325; 97B.405; 97B.515, by adding a subdivision; 97B.911; 97B.915; 97B.921; 97B.925; 97C.005, subdivision 3; 97C.087, subdivision 2; 97C.205; 97C.315, subdivision 1; 97C.341; Minnesota Statutes 2009 Supplement, sections 84.95, subdivision 2; 97A.445, subdivision 1a; 97B.055, subdivision 3; 97B.811, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17; 97B; 348; repealing Minnesota Statutes 2008, sections 84.942, subdivisions 2, 3, 4; 97A.435, subdivision 5; 97B.511; 97B.515, subdivision 3; 97B.811, subdivision 4.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 3051 and 3124 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 2918 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Drazkowski, Shimanski, Dettmer, Scott, Buesgens and Davids introduced:

H. F. No. 3830, A bill for an act relating to public safety; illegal immigration; requiring law enforcement to enforce federal immigration laws; establishing eligibility criteria for federal and state public benefits; requiring possession of alien identification cards; prohibiting the transporting and smuggling of illegal immigrants; prohibiting illegal immigrants from working or soliciting work in the state; prohibiting the employment of illegal aliens; creating the Minnesota Illegal Immigration Enforcement Team; requiring the attorney general to represent the state against any challenges to this act; amending Minnesota Statutes 2009 Supplement, section 629.34, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 299P.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Oversight.
Torkelson introduced:

H. F. No. 3831, A bill for an act relating to employment; modifying prevailing hours of labor requirements; amending Minnesota Statutes 2008, section 177.42, subdivision 4.

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

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. 653, A bill for an act relating to elections; changing certain municipal precinct and ward boundary procedures and requirements; amending Minnesota Statutes 2008, sections 204B.135, subdivisions 1, 3; 204B.14, subdivisions 3, 4; 205.84, subdivisions 1, 2.

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

H. F. No. 655, A bill for an act relating to elections; requiring an affidavit of candidacy to state the candidate's residence address and telephone number; prohibiting placement of a candidate on the ballot if residency requirements are not met; amending Minnesota Statutes 2008, section 204B.06, subdivision 1.

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

H. F. No. 2668, A bill for an act relating to landlord and tenant; modifying certain procedures relating to expungement; providing procedures relating to the charging and recovery of various fees; providing certain rights to tenants of foreclosed properties; amending Minnesota Statutes 2008, sections 484.014, subdivision 3; 504B.111;
504B.173; 504B.178, subdivision 7; 504B.215, subdivision 4; 504B.271, subdivisions 1, 2; 504B.285, by adding subdivisions; 504B.291, subdivision 1; 504B.365, subdivision 4; Minnesota Statutes 2009 Supplement, section 504B.285, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B.

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

H. F. No. 3327. A bill for an act relating to city and county employees; exempting employees of a city-owned or county-owned hospital from certain reporting requirements; amending Minnesota Statutes 2008, section 471.701.

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

S. F. No. 2511.

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

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 2511

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.

May 4, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2511 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2511 be further amended as follows:
Delete everything after the enacting clause and insert:

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

Subdivision 1. Establishment; purpose; 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 council has nine members, including 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 Council 5;

(6) Education Minnesota;

(7) Service Employees International Union; and

(8) the Minnesota Chamber of Commerce.

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

(b) The council shall seek input from nonmember organizations whose expertise can help inform the council's work.

(c) In conjunction with the state auditor's duties to recommend best practices for delivery of local government services, 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 and must provide notice of its meetings to the public and to the members of the legislative committees and divisions with jurisdiction over state and local government, education policy and finance, and early childhood through grade 12 education policy and finance. Meetings of the council shall be open to the public.

(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 following:

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

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

(3) the use of technology to connect entities and share information, including broadband access;
(4) the modernization of financial transactions and their oversight by facilitating credit and debit card transactions, electronic funds transfers, and electronic data interchange; and

(5) the 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 minority 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."

We request the adoption of this report and repassage of the bill.

Senate Conferees: ANN H. REST, CLAIRE ROBLING and SANDY RUMMEL.

House Conferees: MARSHA SWAILS, JOHN WARD and CAROL MCFARLANE.

Swails moved that the report of the Conference Committee on S. F. No. 2511 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2511, as amended by Conference, was read for the third time.

MOTION TO LAY ON THE TABLE

Zellers moved that S. F. No. 2511, as amended by Conference, be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Zellers motion and the roll was called. There were 44 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Dean  Gottwald  Kohls  Nornes  Torkelson
Anderson, P.  Demmer  Gunther  Lanning  Peppin  Urdahl
Anderson, S.  Dettmer  Hackbart  Loon  Sanders  Westrom
Beard  Doepke  Hamilton  Mack  Scott  Zellers
Brod  Downey  Holberg  Magnus  Seifert
Buesgens  Drazkowski  Hoppe  McFarlane  Severson
Cornish  Eastlund  Kelly  McNamara  Shimanski
Davids  Garofalo  Kiffmeyer  Murdock  Smith
Those who voted in the negative were:

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The motion did not prevail.

S. F. No. 2511, 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.

The bill, as amended by Conference, was placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 101 yeas and 26 nays as follows:

Those who voted in the affirmative were:

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Those who voted in the negative were:

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The bill was repassed, as amended by Conference, and its title agreed to.
Madam Speaker:

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

S. F. No. 2846.

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

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON 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; 8855.0500; 8855.0600; 8855.0850; 88920.0100; 88920.0150; 88920.0200; 88920.0300; 88920.0400; 88920.0500; 88920.0600; 88920.0700; 88920.0800; 88920.0900; 88920.1100; 88920.1200; 88920.1300; 88920.1400; 88920.1500; 88920.1600; 88920.1700; 88920.1800; 88920.1900; 88920.2000; 88920.2100; 88920.2200; 88920.2300; 88920.2400; 88920.2500; 88920.2600; 88920.2700; 88920.2800; 88920.2900; 88920.3000; 88920.3100; 88920.3200; 88920.3300; 88920.3400; 88920.3500; 88920.3600; 88920.3700; 88920.3800; 88920.3900; 88920.4000; 88920.4100; 88920.4200; 88920.4300; 88920.4400; 88920.4500.

May 4, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2846 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 2846 be further amended as follows:

Page 6, line 7, delete the first "axle" and insert "axles"

Page 6, line 9, after "rearmost" insert "axles of any" and delete "groups" and insert "group"
We request the adoption of this report and repassage of the bill.

Senate Conferees: ROD SKOE, RICK OLSEEN and JOE GIMSE.

House Conferees: MELISSA HORTMAN, ALICE HAUSMAN and MARY LIZ HOLBERG.

Hortman moved that the report of the Conference Committee on S. F. No. 2846 be adopted and that the bill be repassed as amended by the Conference Committee.

MOTION TO LAY ON THE TABLE

Kohls moved that the report of the Conference Committee on S. F. No. 2846 be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Kohls motion and the roll was called. There were 42 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Davids  Eastlund  Hoppe  McFarlane  Seifert
Anderson, P.  Dean  Garofalo  Kelly  McNamara  Severson
Anderson, S.  Demmer  Grottwall  Kiffmeyer  Murdock  Shimanski
Beard  Detmer  Gunther  Kohls  Nornes  Torkelson
Brod  Doepke  Hackbarth  Loon  Peppin  Udahl
Buesgens  Downey  Hamilton  Mack  Sanders  Westrom
Cornish  Drazkowski  Holberg  Magnus  Scott  Zellers

Those who voted in the negative were:

Anzelc  Doty  Hortman  Lesch  Obermueller  Sertich
Atkins  Eken  Hosch  Liebling  Olin  Simon
Benson  Falk  Howes  Lieder  Otremba  Slocum
Bigham  Faust  Humlley  Loeffler  Paymar  Solberg
Bly  Fritz  Jackson  Mahoney  Pelowski  Sterner
Brown  Gardner  Johnson  Marquart  Persell  Swails
Brynaert  Greiling  Juhnke  Masin  Peterson  Thao
Bunn  Hansen  Kahn  Morgan  Poppe  Thissen
Carlson  Hausman  Kalin  Mullery  Reinert  Tillberry
Champion  Haws  Kath  Murphy, E.  Rosenthal  Wagenius
Clark  Hayden  Knuth  Murphy, M.  Rukavina  Ward
Davnie  Hilstrom  Koenen  Nelson  Ruud  Welti
Dill  Hilty  Laine  Newton  Sailer  Winkler
Dittrich  Hornstein  Lenczewski  Norton  Scalze

The motion did not prevail.

The question recurred on the Hortman motion that the report of the Conference Committee on S. F. No. 2846 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.
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; 169.828, 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; 169.84, 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.

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 126 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler
Anderson, B.
Anderson, P.
Anderson, S.
Anzelc
Atkins
Beard
Benson
Bendzakowski
Benson
Bigham
Bly
Brod
Brown
Brown
Brynaert
Bunn
Carlson
Champion
Clark
Cornish
Davids
Davnie
Demmer

Those who voted in the negative were:

Buesgens
Dean

The bill was repassed, as amended by Conference, and its title agreed to.
Madam Speaker:

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

S. F. No. 3128.

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

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON 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.

May 4, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 3128 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 3128 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 326B.106, is amended by adding a subdivision to read:

Subd. 13. **Lead certification.** When issuing permits in compliance with the State Building Code to a residential building contractor, residential remodeler, manufactured home installer, or residential roofer licensed under section 326B.805, municipalities must verify lead certification qualifications of the licensee required under subdivision 14 for renovations performed on residential property constructed prior to 1978. Municipalities may charge a surcharge for verification of this certification under section 326B.815, subdivision 2.

**EFFECTIVE DATE.** This section is effective February 1, 2011.

Sec. 2. Minnesota Statutes 2008, section 326B.106, is amended by adding a subdivision to read:

Subd. 14. **Pre-1978 structures.** A residential building contractor, residential remodeler, manufactured home installer, or residential roofer licensed under section 326B.805 performing renovation as defined by Code of Federal Regulations, title 40, section 745.83, on a residential structure constructed prior to 1978 must be certified in accordance with Code of Federal Regulations, title 40, section 745.89, unless the property has been determined to meet an exemption under Code of Federal Regulations, title 40, section 745.82. Before performing the renovations as defined by Code of Federal Regulations, title 40, section 745.83, on a residential structure constructed prior to
1978, a licensee working on the structure must be able to provide to the commissioner information so that proof of certification can be obtained as required in this subdivision. The department shall provide on its Web site a link to the United States Environmental Protection Agency Web site for verification of certification of a licensee.

**EFFECTIVE DATE.** This section is effective February 1, 2011.

Sec. 3. Minnesota Statutes 2008, section 326B.805, is amended by adding a subdivision to read:


**EFFECTIVE DATE.** This section is effective February 1, 2011.

Delete the title and insert:

"A bill for an act relating to residential construction; providing for lead poisoning prevention; amending the State Building Code; modifying licensing requirements for firms and contractors performing work on certain structures where lead may be present; amending Minnesota Statutes 2008, sections 326B.106, by adding subdivisions; 326B.805, by adding a subdivision."

We request the adoption of this report and repassage of the bill.

Senate Conferees: KENNETH KELASH, CHRIS GERLACH and JIM CARLSON.

House Conferees: KAREN CLARK, JIM DAVNIE and BOB GUNThER.

Clark moved that the report of the Conference Committee on S. F. No. 3128 be adopted and that the bill be repassed as amended by the Conference Committee.

**MOTION TO ADJOURN**

Buesgens moved that the House adjourn until 9:00 a.m., Friday, May 7, 2010.

A roll call was requested and properly seconded.

The question was taken on the Buesgens motion and the roll was called. There were 39 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Dean  Garofalo  Kelly  Murdock  Shimanski
Anderson, S.  Demmer  Gottwalt  Kifflmeyer  Nornes  Smith
Beard  Dettmer  Gunther  Kohls  Peppin  Westrom
Brod  Doepke  Hackbarth  Loon  Sanders  Zellers
Buesgens  Downey  Holberg  Mack  Scott
Cornish  Drazkowski  Hoppe  McFarlane  Seifert
Davids  Eastlund  Howes  McNamara  Severson
Those who voted in the negative were:

Anderson, P.  Doty  Hortman  Lillie  Olin  Slawik
Anzelc  Eken  Hosch  Loeffler  Otremba  Slocum
Atkins  Falk  Huntley  Magnus  Paymar  Solberg
Benson  Faust  Johnson  Mahoney  Pelowski  Sterner
Bigham  Fritz  Juhnke  Marquart  Persell  Swails
Bly  Gardner  Kahn  Masin  Peterson  Thao
Brown  Greiling  Kalin  Morgan  Poppe  Thissen
Brynaert  Hamilton  Kath  Morrow  Reinert  Tillberry
Bunn  Hansen  Knuth  Mullery  Rosenthal  Torkelson
Carlson  Hausman  Koenen  Murphy, E.  Rukavina  Udahl
Champion  Haws  Laine  Murphy, M.  Ruud  Wagenius
Clark  Hayden  Lenczewski  Nelson  Sailer  Ward
Davnie  Hilstrom  Lesch  Newton  Scalze  Welti
Dill  Hilty  Liebling  Norton  Sertich  Winkler
Dittrich  Hornstein  Lieder  Obermueller  Simon

The motion did not prevail.

The question recurred on the Clark motion that the report of the Conference Committee on S. F. No. 3128 be adopted and that the bill be repassed as amended by the Conference Committee. 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 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 91 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Abeler  Dittrich  Hortman  Lieder  Olin  Slocum
Anderson, S.  Doty  Hosch  Lillie  Otremba  Solberg
Anzelc  Eken  Howes  Loeffler  Paymar  Sterner
Atkins  Falk  Huntley  Magnus  Pelowski  Swails
Benson  Faust  Jackson  Marquart  Peterson  Thao
Bigham  Fritz  Johnson  Masin  Morrow  Thissen
Bly  Gardner  Juhnke  McNamara  Morgan  Tillberry
Brown  Greiling  Kahn  Murphy, E.  Rukavina  Wagenius
Brynaert  Gunther  Kalin  Morrow  Rosenthal  Ward
Bunn  Hansen  Kath  Mullery  Ruud  Winkler
Carlson  Hausman  Koenen  Murphy, M.  Sailer  Winkler
Champion  Haws  Laine  Nelson  Scalze
Clark  Hayden  Lenczewski  Newton  Sertich
Davnie  Hilstrom  Lesch  Norton  Simon
Dill  Hornstein  Liebling  Obermueller  Slawik
Those who voted in the negative were:

Anderson, B.  Demmer  Gottwalt  Kohls  Nornes  Smith
Anderson, P.  Detmer  Hackbarth  Lanning  Peppin  Torkelson
Beard  Doepke  Hamilton  Loon  Sanders  Urdahl
Brod  Downey  Holberg  Mack  Scott  Westrom
Buesgens  Drazkowski  Hoppe  Magnus  Seifert  Zellers
Davids  Eastlund  Kelly  McFarlane  Severson
Dean  Garofalo  Kiffmeyer  Murdock  Shimanski

The bill was repassed, as amended by Conference, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3106, A bill for an act relating to public safety; amending first-degree driving while impaired crime to include prior felony convictions from other states; modifying implied consent, driving while impaired, and ignition interlock provisions; amending Minnesota Statutes 2008, sections 169A.24, subdivision 1; 169A.52, subdivisions 3, 4; 169A.54, subdivisions 2, 5; 169A.55, by adding a subdivision; 169A.60, subdivision 1; 171.09; 171.30, subdivisions 1, 2a, 4; 171.306, as amended; 609.131, subdivision 2; Minnesota Statutes 2009 Supplement, sections 169A.275, subdivision 7; 169A.54, subdivision 1; repealing Minnesota Statutes 2008, sections 169A.54, subdivision 11; 169A.55, subdivision 1; 171.30, subdivision 2c; 171.305, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Bigham moved that the House refuse to concur in the Senate amendments to H. F. No. 3106, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2614, A bill for an act relating to state government; licensing; state health care programs; continuing care; children and family services; health reform; Department of Health; public health; health plans; assessing administrative penalties; modifying foreign operating corporation taxes; requiring reports; making supplemental and contingent appropriations and reductions for the Departments of Health and Human Services and other health-related boards and councils; amending Minnesota Statutes 2008, sections 62D.08, by adding a subdivision; 62J.07, subdivision 2, by adding a subdivision; 62J.38; 62J.692, subdivision 4; 62Q.19, subdivision 1; 62Q.76, subdivision 1; 62U.05; 119B.025, subdivision 1; 119B.09, subdivision 4; 119B.11, subdivision 1; 144.05, by adding a subdivision; 144.226, subdivision 3; 144.291, subdivision 2; 144.293, subdivision 4, by adding a subdivision; 144.651, subdivision 2; 144.9504, by adding a subdivision; 144A.51, subdivision 5; 144E.37; 214.40, subdivision 7; 245C.27, subdivision 2; 246.04, subdivision 3; 246B.04, subdivision 2; 254B.01, subdivision 2; 254B.02, subdivisions 1, 5; 254B.03, subdivision 4, by adding a subdivision; 254B.05, subdivision 4; 254B.06, subdivision 2; 254B.09, subdivision 8; 256.01, by adding a subdivision; 256.9657, subdivision 3; 256B.04, subdivision 14;
256B.055, by adding a subdivision; 256B.056, subdivisions 3, 4; 256B.057, subdivision 9; 256B.0625, subdivisions 8, 8a, 8b, 18a, 22, 31, by adding subdivisions; 256B.0631, subdivisions 1, 3; 256B.0644, as amended; 256B.0754, by adding a subdivision; 256B.0915, subdivision 3b; 256B.19, subdivision 1c; 256B.441, by adding a subdivision; 256B.5012, by adding a subdivision; 256B.69, subdivisions 20, as amended, 27, by adding subdivisions; 256B.692, subdivision 1; 256B.75; 256B.76, subdivisions 2, 4, by adding a subdivision; 256D.03, subdivision 3b; 256D.0515; 256D.425, subdivision 2; 256L.05, by adding a subdivision; 256L.20, subdivision 3; 256L.24, subdivision 10; 256L.37, subdivision 3a; 256J.39, by adding subdivisions; 256L.02, subdivision 3; 256L.03, subdivision 3, by adding a subdivision; 256L.04, subdivision 7; 256L.05, by adding a subdivision; 256L.07, subdivision 1, by adding a subdivision; 256L.12, subdivisions 5, 6, 9; 256L.15, subdivision 1; 290.01, subdivision 5, by adding a subdivision; 290.17, subdivision 4; 326B.43, subdivision 2; 626.556, subdivision 10i; 626.557, subdivision 9d; Minnesota Statutes 2009 Supplement, sections 62J.495, subdivisions 1a, 3, by adding a subdivision; 157.16, subdivision 3; 245A.11, subdivision 7b; 245C.27, subdivision 1; 246B.06, subdivision 6; 252.025, subdivision 7; 252.27, subdivision 2a; 256.045, subdivision 3; 256.969, subdivision 3a; 256B.056, subdivision 3c; 256B.0625, subdivisions 9, 13e; 256B.0653, subdivision 5; 256B.0911, subdivision 1a; 256B.0915, subdivision 3a; 256B.69, subdivisions 5a, 23; 256B.76, subdivision 1; 256B.766; 256D.03, subdivision 3, as amended; 256D.44, subdivision 5; 256J.425, subdivision 3; 256L.03, subdivision 5; 256L.11, subdivision 1; 289A.08, subdivision 3; 290.01, subdivisions 19c, 19d; 327.15, subdivision 3; Laws 2005, First Special Session chapter 4, article 8, section 66, as amended; Laws 2009, chapter 79, article 3, section 18; article 5, sections 17, 18; 22; 75, subdivision 1; 78, subdivision 5; article 8, sections 2, 51; 81; article 13, sections 3, subdivisions 1, as amended, 3, as amended, 4, as amended, 8, as amended, 5, subdivision 8, as amended; Laws 2009, chapter 273, article 1, section 17; Laws 2010, chapter 200, article 1, sections 12, subdivisions 5, 6, 7, 8, 13, subdivision 1b; 16; 21; article 2, section 2, subdivisions 1, 8; proposing coding for new law in Minnesota Statutes, chapters 62A; 62D; 62E; 62J; 62Q; 144; 245; 254B; 256; 256B; proposing coding for new law as Minnesota Statutes, chapter 62V; repealing Minnesota Statutes 2008, sections 254B.02, subdivisions 2, 3, 4; 254B.09, subdivisions 4, 5, 7; 256D.03, subdivisions 3a, 3b, 5, 6, 7, 8; 290.01, subdivision 6b; 290.0921, subdivision 7; Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 3; Laws 2009, chapter 79, article 7, section 26, subdivision 3; Laws 2010, chapter 200, article 1, sections 12, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 18; 19.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Huntley moved that the House refuse to concur in the Senate amendments to H. F. No. 2614, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

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

S. F. Nos. 2702, 3379 and 2900.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2702, A bill for an act relating to health; establishing licensure for birth centers; appropriating money; amending Minnesota Statutes 2008, sections 62Q.19, subdivision 1; 144.651, subdivision 2; 144A.51, subdivision 5; 256B.0625, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 144.
The bill was read for the first time.

Ruud moved that S. F. No. 2702 and H. F. No. 3046, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3379, A bill for an act relating to public safety; appropriating money to match federal disaster assistance made available through FEMA Public Assistance Program.

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

S. F. No. 2900, A bill for an act relating to natural resources; modifying aquaculture provisions; modifying disposal restrictions for certain livestock taken by wild animals; modifying provisions for taking, possessing, and transporting wild animals; modifying requirements for fish and wildlife management plans; modifying game and fish provisions; modifying game and fish license requirements and fees for youth; increasing certain fishing license fees; modifying certain requirements for invasive species control; modifying certain administrative accounts; modifying electronic transaction provisions; providing for certain registration exemptions; modifying all-terrain vehicle definitions; modifying all-terrain vehicle operation restrictions; modifying state trails and canoe and boating routes; modifying fees and disposition of certain receipts; modifying certain competitive bidding exemptions; modifying horse trail pass provisions; modifying beaver dam provisions; modifying the Water Law; modifying nongame wildlife check offs; modifying method of determining value of acquired stream easements; providing for certain historic property exemption; modifying adding to and deleting from state parks and state forests; authorizing public and private sales, conveyances, and exchanges of certain state land; providing exemptions from rulemaking and requiring rulemaking; providing criminal penalties; appropriating money; amending Minnesota Statutes 2008, sections 17.4982, subdivision 12, by adding a subdivision; 17.4991, subdivision 3; 17.4994; 35.82, subdivision 2; 84.025, subdivision 9; 84.027, subdivision 15; 84.0272, subdivision 2; 84.0856; 84.0857; 84.82, subdivision 3, by adding a subdivision; 84.92, subdivisions 9, 10; 84.922, subdivision 5, by adding a subdivision; 84.925, subdivision 1; 84.942, subdivision 1; 84D.03, subdivision 3; 84D.13, subdivision 3; 85.012, subdivision 40; 85.015, subdivision 14; 85.22, subdivision 5; 85.32, subdivision 1; 85.43; 85.46, as amended; 86B.101; 89.032, subdivision 2; 97A.015, subdivision 52, by adding a subdivision; 97A.055, subdivision 4b; 97A.101, subdivision 3; 97A.145, subdivision 2; 97A.311, subdivision 5; 97A.331, by adding subdivisions; 97A.420, subdivisions 2, 3, 4, 6, by adding a subdivision; 97A.421, subdivision 4a, by adding a subdivision; 97A.433, by adding a subdivision; 97A.435, subdivision 1; 97A.445, subdivision 5; 97A.451, subdivision 3; 97A.475, subdivisions 3a, 4, 43, 44; 97A.535, subdivision 2a; 97A.545, subdivision 5; 97B.015; 97B.020; 97B.021, subdivision 1; 97B.022, subdivision 2; 97B.031, subdivision 5; 97B.045, by adding a subdivision; 97B.075; 97B.106, subdivision 1; 97B.211, subdivision 1; 97B.301, subdivisions 3, 6; 97B.325; 97B.405; 97B.515, by adding a subdivision; 97B.601, subdivision 4; 97B.665, subdivision 2; 97B.711, by adding a subdivision; 97B.803; 97C.005, subdivision 3; 97C.087, subdivision 2; 97C.205; 97C.341; 103A.305; 103G.271, subdivision 3; 103G.285, subdivision 5; 103G.301, subdivision 6; 103G.305, subdivision 2; 103G.315, subdivision 11; 103G.515, subdivision 5; 290.431; 290.432; Minnesota Statutes 2009 Supplement, sections 84.928, subdivision 1; 84.95, subdivision 2; 85.015, subdivision 13; 86A.09, subdivision 1; 97A.075, subdivision 1; 97A.445, subdivision 1a; 97A.451, subdivision 2; 97A.475, subdivisions 2, 3; 97B.055, subdivision 3; 97C.395, subdivision 1; 103G.201; Laws 2008, chapter 368, article 1, section 34, as amended; Laws 2009, chapter 176, article 4, section 9; proposing coding for new law in Minnesota Statutes, chapters 17; 84D; 85; 97B; 97C; 103G; repealing Minnesota Statutes 2008, sections 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 84.942, subdivisions 2, 3, 4; 97A.435, subdivision 5; 97A.451, subdivisions 3a, 4; 97A.485, subdivision 12; 97B.022, subdivision 1; 97B.511; 97B.515, subdivision 3; 97B.665, subdivision 1; 97C.346; 103G.295; 103G.650; Minnesota Statutes 2009 Supplement, sections 3.3006; 84.02, subdivisions 4a, 6a, 6b; Laws 2009, chapter 172, article 5, section 8.

The bill was read for the first time.

Dill moved that S. F. No. 2900 and H. F. No. 3124, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.
S. F. No. 1886 was reported to the House.

Sterner moved to amend S. F. No. 1886, the second engrossment, as follows:

Page 1, line 8, delete "A residential building"

Page 1, delete line 9

Page 1, delete line 10 and insert "A residential contractor providing residential roofing"

Page 1, line 12, delete the comma

Page 1, lines 13, 15, and 16, delete "roofer" and insert "contractor"

Page 1, after line 15, insert:

"For purposes of this section, "residential contractor" means a residential roofer, as defined in section 326B.802, subdivision 14, a residential contractor, as defined in section 326B.802, subdivision 11, and a residential remodeler, as defined in section 326B.802, subdivision 12."

Page 1, line 23, delete "residential roofer" and insert "contractor" and after "provide" insert "residential roofing"

Page 2, lines 2, 13, and 25, delete "48" and insert "72"

Page 2, lines 4, 10, 24, 28, and 35, delete "residential roofer" and insert "contractor"

Page 2, line 5, delete "residential"

Page 2, line 6, delete "roofer" and insert "contractor"

Page 2, line 25, delete "residential roofer's" and insert "contractor's"

Page 3, line 1, delete "residential roofer" and insert "contractor" and delete "residential"

Page 3, line 2, delete "roofer" and insert "contractor"

Page 3, after line 2, insert:

"Subd. 4. Definition. For the purposes of this section, "contractor" means a residential building contractor who is providing roofing services, a residential remodeler who is providing roofing services, or a residential roofer."

The motion prevailed and the amendment was adopted.

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 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 122 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.  Buesgens  Doepke  Drazkowski  Shimanski
Brod  Demmer  Downey  Hackbarth

The bill was passed, as amended, and its title agreed to.

S. F. No. 2971 was reported to the House.

Hilty moved to amend S. F. No. 2971, the third engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 3009, the first engrossment:

"Section 1. Minnesota Statutes 2008, section 16E.15, subdivision 2, is amended to read:

Subd. 2. **Software sale fund.** (a) Except as provided in paragraphs paragraph (b) and (c), proceeds of the sale or licensing of software products or services by the chief information officer must be credited to the enterprise technology revolving fund. If a state agency other than the Office of Enterprise Technology has contributed to the development of software sold or licensed under this section, the chief information officer may reimburse the agency by discounting computer services provided to that agency.

(b) Proceeds of the sale or licensing of software products or services developed by the Pollution Control Agency, or custom developed by a vendor for the agency, must be credited to the environmental fund."
(c) Proceeds of the sale or licensing of software products or services developed by the Department of Education, or custom developed by a vendor for the agency, to support the achieved savings assessment program, must be appropriated to the commissioner of education and credited to the weatherization program to support weatherization activities.

Sec. 2. Minnesota Statutes 2008, section 216B.241, subdivision 2, is amended to read:

Subd. 2. Programs. (a) The commissioner may require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover no more than a three-year period. Public utilities shall file conservation improvement plans by June 1, on a schedule determined by order of the commissioner, but at least every three years. Plans received by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year. The commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The commissioner's order must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

(b) The commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department.

(c) Each public utility subject to subdivision 1a may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility.

(d) A public utility may not spend for or invest in energy conservation improvements that directly benefit a large energy facility or a large electric customer facility for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision, a nonprofit corporation, or community organization.

(e) A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

(f) The commissioner may order a public utility to include, with the filing of the utility's proposed conservation improvement plan under paragraph (a) annual status report, the results of an independent audit of all or a selection of the utility's conservation improvement programs and expenditures performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the utility. The audit must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility that is the result of the spending and investments. The audit must evaluate the cost-effectiveness of the utility's conservation programs.
Sec. 3. Minnesota Statutes 2008, section 216B.812, subdivision 2, is amended to read:

Subd. 2. **Pilot projects.** (a) In consultation with appropriate representatives from state agencies, local governments, universities, businesses, and other interested parties, the Department of Commerce shall report back to the legislature by November 1, 2005, and every two years thereafter, with a slate of proposed pilot projects that contribute to realizing Minnesota's hydrogen economy goal as set forth in section 216B.8109. The Department of Commerce must consider the following nonexclusive list of priorities in developing the proposed slate of pilot projects:

1. deploy "bridge" technologies such as hybrid-electric, off-road, and fleet vehicles running on hydrogen or fuels blended with hydrogen;
2. lead to cost-competitive, on-site renewable hydrogen production technologies;
3. demonstrate nonvehicle applications for hydrogen;
4. improve the cost and efficiency of hydrogen from renewable energy sources; and
5. improve the cost and efficiency of hydrogen production using direct solar energy without electricity generation as an intermediate step.

(b) For deployment projects that do not involve a demonstration component, individual system components of the technology should, if feasible, meet commercial performance standards and systems modeling must be completed to predict commercial performance, risk, and synergies. In addition, the proposed pilots should meet as many of the following criteria as possible:

1. advance energy security;
2. capitalize on the state's native resources;
3. result in economically competitive infrastructure being put in place;
4. be located where it will link well with existing and related projects and be accessible to the public, now or in the future;
5. demonstrate multiple, integrated aspects of renewable hydrogen infrastructure;
6. include an explicit public education and awareness component;
7. be scalable to respond to changing circumstances and market demands;
8. draw on firms and expertise within the state where possible;
9. include an assessment of its economic, environmental, and social impact; and
10. serve other needs beyond hydrogen development.

Sec. 4. Minnesota Statutes 2008, section 216C.264, is amended to read:

**216C.264 COORDINATING RESIDENTIAL WEATHERIZATION PROGRAMS.**

Subdivision 1. **Agency designation.** The department is the state agency to apply for, receive, and disburse money made available to the state by federal law for the purpose of weatherizing the residences of low-income persons. The commissioner must coordinate available federal money with state money appropriated for this purpose.
Subd. 2. Grants. The commissioner must make grants of federal and state money to community action agencies and other public or private nonprofit agencies for the purpose of weatherizing the residences of low-income persons. Grant applications must be submitted in accordance with rules promulgated by the commissioner.

Subd. 3. Benefits of weatherization. In the case of any grant made to an owner of a rental dwelling unit for weatherization, the commissioner must require that (1) the benefits of weatherization assistance in connection with the dwelling unit accrue primarily to the low-income family that resides in the unit; (2) the rents on the dwelling unit will not be raised because of any increase in value due solely to the weatherization assistance; and (3) no undue or excessive enhancement will occur to the value of the dwelling unit.

Subd. 4. Rules. The commissioner must promulgate rules that describe procedures for the administration of grants, data to be reported by grant recipients, and compliance with relevant federal regulations. The commissioner must require that a rental unit weatherized under this section be rented to a household meeting the income limits of the program for 24 of the 36 months after weatherization is complete. In applying this restriction to multiunit buildings weatherized under this section, the commissioner must require that occupancy continue to reflect the proportion of eligible households in the building at the time of weatherization.

Subd. 5. Grant allocation. The commissioner must distribute supplementary state grants in a manner consistent with the goal of producing the maximum number of weatherized units. Supplementary state grants are provided primarily for the payment of additional labor costs for the federal weatherization program, and as an incentive for the increased production of weatherized units.

Criteria for the allocation of state grants to local agencies include existing local agency production levels, emergency needs, and the potential for maintaining or increasing acceptable levels of production in the area.

An eligible local agency may receive advance funding for 90 days' production, but thereafter must receive grants solely on the basis of program criteria.

Subd. 6. Eligibility criteria. To the extent allowed by federal regulations, the commissioner must ensure that the same income eligibility criteria apply to both the weatherization program and the energy assistance program.

Sec. 5. Minnesota Statutes 2008, section 216E.18, subdivision 3, is amended to read:

Subd. 3. Funding; assessment. The commission shall finance its baseline studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site and route permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the commission against all utilities with annual retail kilowatt-hour sales greater than 4,000,000 kilowatt-hours in the previous calendar year.

Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.333, as determined by the commission. The assessment shall be credited to the special revenue fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the commission for carrying out the purposes of this subdivision. The assessment for the second third quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the commission for the preceding fiscal year were more or less than the estimated expenditures previously assessed.
Sec. 6. Minnesota Statutes 2008, section 326B.106, subdivision 12, is amended to read:

Subd. 12. Separate metering for electric service. The standards concerning heat loss, illumination, and climate control adopted pursuant to subdivision 1, shall require that electrical service to individual dwelling units in buildings containing two or more units be separately metered, with individual metering readily accessible to the individual occupants. The standards authorized by this subdivision shall only apply to buildings constructed after the effective date of the amended standards. Buildings intended for occupancy primarily by persons who are 62 years of age or older or disabled, supportive housing, or which buildings that contain a majority of units not equipped with complete kitchen facilities, shall be exempt from the provisions of this subdivision. For purposes of this section, "supportive housing" means housing made available to individuals and families with multiple barriers to obtaining and maintaining housing, including those who are formerly homeless or at risk of homelessness and those who have a mental illness, substance abuse disorder, debilitating disease, or a combination of these conditions.

Sec. 7. REPEALER.

Minnesota Statutes 2008, sections 216C.19, subdivisions 2, 3, 13, 14, 15, 16, 18, 19, and 20; and 216C.262, are repealed.

Minnesota Statutes 2009 Supplement, section 216C.19, subdivision 17, is repealed.

Delete the title and insert:

"A bill for an act relating to energy; making technical changes related to utility report filings, hydrogen energy projects, weatherization programs, public utility commission assessments, and utility metering for supporting housing; removing obsolete and redundant language; amending Minnesota Statutes 2008, sections 16E.15, subdivision 2; 216B.241, subdivision 2; 216B.812, subdivision 2; 216C.264; 216E.18, subdivision 3; 326B.106, subdivision 12; 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 motion prevailed and the amendment was adopted.

Hilty, Faust, Norton and Obermueller moved to amend S. F. No. 2971, the third engrossment, as amended, as follows:

Page 4, after line 11, insert:

"Sec. 4. [216B.1695] NUCLEAR POWER PLANT; COST RECOVERY.

(a) The commission may not allow any of the following costs attributable to the construction of a nuclear generating plant begun after July 1, 2010, to be recovered from Minnesota ratepayers until the plant begins operating at a monthly load capacity factor of at least 85 percent:

(1) planning, design, safety, environmental, or engineering studies undertaken prior to construction; or

(2) the costs of obtaining regulatory approval, including permits, licenses and any other approval required prior to construction from federal, state and local authorities.

(b) The commission may not allow any of the following costs attributable to the construction of a nuclear generating plant begun after July 1, 2010, to be recovered from Minnesota ratepayers:
(1) any construction costs exceeding the projected construction cost of the generating plant and any ancillary facility constructed by the utility to temporarily or permanently store nuclear waste generated by the plant, as identified in the utility's certificate of need application submitted under section 216B.243;

(2) the costs of insuring the plant against accidents that exceed the cost of insurance for a fossil fuel plant of equivalent capacity; or

(3) contributions from the plant to provide and maintain local fire protection and emergency services to the plant in case of an accident.

(c) Except for regulatory costs of state agencies, no revenues from taxes or fees imposed by the state of Minnesota may be used to pay for any portion of the preconstruction, construction, maintenance, or operating costs of a nuclear generating plant, or to assume any financial risk associated with an accidental release of radioactivity from the generating plant or an ancillary facility constructed by the utility that owns the generating plant to temporarily or permanently store nuclear waste generated by the plant.

Sec. 5. Minnesota Statutes 2008, section 216B.243, subdivision 3b, is amended to read:

Subd. 3b. Nuclear power plant; new construction prohibited; relicensing. (a) The commission may not issue a certificate of need for the construction of a new nuclear-powered electric generating plant provided that the certificate of need application contains a separate estimate of preconstruction and construction costs that does not include any of the costs identified in section 216B.1695, paragraphs (a) and (b).

(b) Any certificate of need for additional storage of spent nuclear fuel for a facility seeking a license extension shall address the impacts of continued operations over the period for which approval is sought.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Lesch was excused between the hours of 3:55 p.m. and 6:05 p.m.

Brod moved to amend the Hilty et al amendment to S. F. No. 2971, the third engrossment, as amended, as follows:

Page 1, line 5, delete "not"

Page 1, line 13, delete "not"

Page 1, line 24, after "regulatory" insert "and public safety"

Page 2, line 7, delete "does not include" and insert "includes"

A roll call was requested and properly seconded.
CALL OF THE HOUSE

On the motion of Gunther and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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<th>Abeler</th>
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<th>Kohls</th>
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Morrow 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.

Zellers was excused between the hours of 4:15 p.m. and 4:30 p.m.

The question recurred on the Brod amendment to the Hilty et al amendment and the roll was called. There were 53 yeas and 78 nays as follows:

Those who voted in the affirmative were:

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<th>Abeler</th>
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Those who voted in the negative were:

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

Peppin moved to amend the Hilty et al amendment to S. F. No. 2971, the third engrossment, as amended, as follows:

Page 2, lines 6 to 8, delete the new language

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

The question recurred on the Hilty et al amendment and the roll was called. There were 73 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, P.  Dittrich  Huntley  Marquart  Poppe  Solberg
Atkins        Doty       Jackson  Masin  Reinert  Swails
Beard         Downey     Johnson  Morgan  Rosenthal  Thao
Benson        Eken       Juhnke  Morrow  Rukavina  Thissen
Bigham        Faust      Kalin   Murphy, M.  Ruud  Tillberry
Bly           Fritz       Kath    Nelson  Sailer  Urdahl
Brown         Gardner     Kelly   Norton  Sanders  Ward
Bunn          Garofalo   Klifmeyer  Obermueller  Seifert  Welti
Carlson       Gottwalt   Knuth   Koenen  Otremba  Sertich
Davids        Haws       Koenen  Otremba  Sertich  Sertich
Demmer        Hilstrom   Lanning  Pelowski  Severson  Severson
Dettmer       Hilty      Lillie   Persell  Shimanski  Shimanski
Dill          Hosch      Mack    Peterson  Slawik  Slawik

Those who voted in the negative were:

Abeler        Davnie     Hansen  Laine  McNamara  Slocum
Anderson, B.  Dean       Hausman  Lenczewski  Mullery  Smith
Anderson, S.  Doepke     Hayden  Liebling  Murdock  Sterner
Anzele        Drazkowski Holberg  Lieder  Murphy, E.  Torkelson
Brod          Eastlund    Hoppe   Loeffler  Newton  Wagenius
Brynaert      Falk       Hornstein Loo  Nornes  Westrom
Buesgens      Greiling   Hortman  Magnus  Paymar  Winkler
Champion      Gunther    Howes   Mahoney  Pepin  Zellers
Clark         Hackbarth  Kahn   Mariani  Scott  Spk. Kelliher
Cornish       Hamilton   Kohls   McFarlane  Simon

The motion prevailed and the amendment was adopted.
CALL OF THE HOUSE LIFTED

Morrow moved that the call of the House be lifted. The motion prevailed and it was so ordered.

Koenen, Eken, Lieder, Dill, Olin, Westrom, Otremba, Beard and Juhnke moved to amend S. F. No. 2971, the third engrossment, as amended, as follows:

Page 6, after line 2, insert:

"Sec. 6. Minnesota Statutes 2008, section 216H.03, is amended to read:

216H.03 FAILURE TO ADOPT GREENHOUSE GAS CONTROL PLAN.

Subdivision 1. Definition; new large energy facility. For the purpose of this section, "new large energy facility" means a large energy facility, as defined in section 216B.2421, subdivision 2, clause (1), that is not in operation as of January 1, 2007, but does not include a facility that (1) uses natural gas as a primary fuel, (2) is designed to provide peaking, intermediate, emergency backup, or contingency services, (3) uses a simple cycle or combined cycle turbine technology, and (4) is capable of achieving full load operations within 45 minutes of startup for a simple cycle facility, or is capable of achieving minimum load operations within 185 minutes of startup for a combined cycle facility.

Subd. 2. Definition; statewide power sector carbon dioxide emissions. For the purpose of this section, "statewide power sector carbon dioxide emissions" means the total annual emissions of carbon dioxide from the generation of electricity within the state and all emissions of carbon dioxide from the generation of electricity imported from outside the state and consumed in Minnesota. Emissions of carbon dioxide associated with transmission and distribution line losses are included in this definition. Carbon dioxide that is injected into geological formations to prevent its release to the atmosphere in compliance with applicable laws, and emissions of carbon dioxide associated with the combustion of biomass, as defined in section 216B.2411, subdivision 2, paragraph (c), clauses (1) to (4), are not counted as contributing to statewide power sector carbon dioxide emissions.

Subd. 3. Long-term increased emissions from power plants prohibited. Unless preempted by federal law, until a comprehensive and enforceable state law or rule pertaining to greenhouse gases that directly limits and substantially reduces, over time, statewide power sector carbon dioxide emissions is enacted and in effect, and except as allowed in subdivisions 4 to 7, on and after August 1, 2009, no person shall-

(1) construct within the state a new large energy facility that would contribute to statewide power sector carbon dioxide emissions;

(2) import or commit to import from outside the state power from a new large energy facility that would contribute to statewide power sector carbon dioxide emissions; or

(3) enter into a new long-term power purchase agreement that would increase statewide power sector carbon dioxide emissions. For purposes of this section, a long-term power purchase agreement means an agreement to purchase 50 megawatts of capacity or more for a term exceeding five years.

Subd. 4. Exception for facilities that offset emissions. (a) The prohibition in subdivision 3 does not apply if the project proponent demonstrates to the Public Utilities Commission's satisfaction that it will offset the new contribution to statewide power sector carbon dioxide emissions with a carbon dioxide reduction project identified in paragraph (b) and in compliance with paragraph (c).
(b) A project proponent may offset in an amount equal to or greater than the proposed new contribution to statewide power sector carbon dioxide emissions in either, or a combination of both, of the following ways:

1. by reducing an existing facility's contribution to statewide power sector carbon dioxide emissions; or

2. by purchasing carbon dioxide allowances from a state or group of states that has a carbon dioxide cap and trade system in place that produces verifiable emissions reductions.

(c) The Public Utilities Commission shall not find that a proposed carbon dioxide reduction project identified in paragraph (b) acceptably offsets a new contribution to statewide power sector carbon dioxide emissions unless the proposed offsets are permanent, quantifiable, verifiable, enforceable, and would not have otherwise occurred. This section does not exempt emissions that have been offset under this subdivision and emissions exempted under subdivisions 5 to 7 from a cap and trade system if adopted by the state.

Subd. 5. **Exception for new steel production facility.** The prohibitions in subdivision 3 do not apply to increases in statewide power sector carbon dioxide emissions from a new steel production project located in a taconite relief area that has filed an application for an air quality permit from the Pollution Control Agency prior to January 1, 2007.

Subd. 6. **Exception for iron nugget production facility.** The prohibitions in subdivision 3 do not apply to an iron nugget production facility that began construction prior to January 31, 2007, nor to associated mining activities and beneficiation facilities with a concentrate capacity of up to three million tons annually. For the purposes of this subdivision, "iron nugget" means a product with at least 90 percent iron content.

Subd. 7. **Other exemptions.** The prohibitions in subdivision 3 do not apply to:

1. a new large energy facility under consideration by the Public Utilities Commission pursuant to proposals or applications filed with the Public Utilities Commission before April 1, 2007, or to any power purchase agreement related to a facility described in this clause. The exclusion of pending proposals and applications from the prohibitions in subdivision 3 does not limit the applicability of any other law and is not an expression of legislative intent regarding whether any pending proposal or application should be approved or denied;

2. a contract not subject to commission approval that was entered into prior to April 1, 2007, to purchase power from a new large energy facility that was approved by a comparable authority in another state prior to that date, for which municipal or public power district bonds have been issued, and on which construction has begun; or

3. a new large energy facility or a power purchase agreement between a Minnesota utility and a new large energy facility located outside Minnesota that the Public Utilities Commission has determined is essential to ensure the long-term reliability of Minnesota's electric system, to allow electric service for increased industrial demand, or to avoid placing a substantial financial burden on Minnesota ratepayers. An order of the commission granting an exemption under this clause is stayed until the June 1 following the next regular or annual session of the legislature that begins after the date of the commission's final order.

Subd. 8. **Enforcement.** Whenever the commission or the Department of Commerce determines that any person is violating or about to violate this section, it may refer the matter to the attorney general who shall take appropriate legal action. This section may be enforced by the attorney general on the same basis as a law listed in section 8.31, subdivision 1, except that the remedies provided by section 8.31, subdivision 3a, do not apply to a violation of this section.

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.
Hackbarth, Seifert, Nornes, Severson, Beard, Urdahl, Peppin, Zellers, Sanders, Westrom and Drazkowski moved to amend S. F. No. 2971, the third engrossment, as amended, as follows:

Page 6, delete section 7, and insert:

"Sec. 7. REPEALER.

(a) Minnesota Statutes 2008, sections 216C.19, subdivisions 2, 3, 13, 14, 15, 16, 18, 19, and 20; 216C.262; 216H.03; and 216H.06, are repealed.

(b) Minnesota Statutes 2009 Supplement, section 216C.19, subdivision 17, is repealed."

Amend the title accordingly

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Hackbarth and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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<tr>
<th>Abeler</th>
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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 Hackbarth et al amendment and the roll was called. There were 58 yeas and 74 nays as follows:

Those who voted in the affirmative were:

| Anderson, B. | Beard | Cornish | Demmer | Doepke | Drazkowski |
| Anderson, P. | Brod | Davids | Dettmer | Doty | Eastlund |
| Anderson, S. | Buesgens | Dean | Dill | Downey | Eken |
Those who voted in the negative were:

Abeler  Anzelc  Atkins  Benson  Bigham  Bly  Brown  Brynaert  Bunn  Carlson  Champion  Clark  Davnie  
Abeler  Falk  Gardner  Greiling  Hansen  Hausman  Haws  Hayden  Hiltstrom  Hilty  Hornstein  Hortman  Hosch  
Anderson, B.  Anderson, P.  Anderson, S.  Atkins  Beard  Brod  Buesgens  
Anderson, B.  Davids  Dean  Demmer  Dettmer  Doepke  Downey  Drazkowski  
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Abeler  Falk  Gardner  Greiling  Hansen  Hausman  Haws  Hayden  Hiltstrom  Hilty  Hornstein  Hortman  Hosch  
Anderson, B.  Anderson, P.  Anderson, S.  Atkins  Beard  Brod  Buesgens  
Anderson, B.  Davids  Dean  Demmer  Dettmer  Doepke  Downey  Drazkowski  

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

CALL OF THE HOUSE LIFTED

Sertich moved that the call of the House be lifted. The motion prevailed and it was so ordered.

Kohls moved that the House recess.

A roll call was requested and properly seconded.

The question was taken on the Kohls motion and the roll was called. There were 45 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abeler  Cornish  Eastlund  Kelly  Murdock  Shimanski  
Abeler  Davids  Garofalo  Kiffmeyer  Nornes  Smith  
Abeler  Dean  Gottwald  Kohls  Peppin  Urdahl  
Abeler  Demmer  Gunther  Lanning  Rosenthal  Westrom  
Abeler  Dettmer  Hackbarth  Loon  Sanders  Zellers  
Abeler  Doepke  Holberg  Mack  Scott  
Abeler  Downey  Hoppe  McFarlane  Seifert  
Abeler  Drazkowski  Howes  McFarlane  Seiferson  

Those who voted in the negative were:

Anzelc  Bly  Bunn  Clark  Dittrich  Falk  
Anzelc  Brown  Carlson  Davnie  Doty  Faust  
Anzelc  Brynaert  Champion  Dill  Eken  Fritz  

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The motion did not prevail.

Kelly and Drazkowski moved to amend S. F. No. 2971, the third engrossment, as amended, as follows:

Page 3, after line 15, insert:

"Sec. 3. Minnesota Statutes 2008, section 216B.1691, subdivision 2b, is amended to read:

Subd. 2b. Modification or delay of standard. (a) The commission shall modify or delay the implementation of a standard obligation, in whole or in part, if the commission determines it is in the public interest to do so. The commission, when requested to modify or delay implementation of a standard, must consider:

(1) the impact of implementing the standard on its customers' utility costs, including the economic and competitive pressure on the utility's customers;

(2) the effects of implementing the standard on the reliability of the electric system;

(3) technical advances or technical concerns;

(4) delays in acquiring sites or routes due to rejection or delays of necessary siting or other permitting approvals;

(5) the availability of suitable sites for the location of eligible energy technology facilities, considering local land use restrictions;

(6) delays, cancellations, or nondelivery of necessary equipment for construction or commercial operation of an eligible energy technology facility;

(7) transmission constraints preventing delivery of service; and

(8) other statutory obligations imposed on the commission or a utility.

The commission may modify or delay implementation of a standard obligation under clauses (1) to (3) only if it finds implementation would cause significant rate impact, requires significant measures to address reliability, or raises significant technical issues. The commission may modify or delay implementation of a standard obligation under clauses (4) to (6) only if it finds that the circumstances described in those clauses were due to circumstances beyond an electric utility's control and make compliance not feasible.
(b) When considering whether to delay or modify implementation of a standard obligation, the commission must give due consideration to a preference for electric generation through use of eligible energy technology and to the achievement of the standards set by this section.

(c) An electric utility requesting a modification or delay in the implementation of a standard must file a plan to comply with its standard obligation in the same proceeding that it is requesting the delay.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Urdahl, Emmer and Westrom offered an amendment to S. F. No. 2971, the third engrossment, as amended.

**POINT OF ORDER**

Hilty raised a point of order pursuant to rule 3.21 that the Urdahl et al amendment was not in order.

**CALL OF THE HOUSE**

On the motion of Severson and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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Morrow 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.

Speaker pro tempore Thissen ruled the Hilty point of order well taken and the Urdahl et al amendment out of order.
Morrow moved that the call of the House be lifted. The motion prevailed and it was so ordered.

Westrom moved to amend S. F. No. 2971, the third engrossment, as amended, as follows:

Page 6, after line 2, insert:

"Sec. 6. Minnesota Statutes 2008, section 216H.03, is amended to read:

216H.03 FAILURE TO ADOPT GREENHOUSE GAS CONTROL PLAN.

Subdivision 1. Definition; new large energy facility. For the purpose of this section, "new large energy facility" means a large energy facility, as defined in section 216B.2421, subdivision 2, clause (1), that is not in operation as of January 1, 2007, but does not include a facility that (1) uses natural gas as a primary fuel, (2) is designed to provide peaking, intermediate, emergency backup, or contingency services, (3) uses a simple cycle or combined cycle turbine technology, and (4) is capable of achieving full load operations within 45 minutes of startup for a simple cycle facility, or is capable of achieving minimum load operations within 185 minutes of startup for a combined cycle facility.

Subd. 2. Definition; statewide power sector carbon dioxide emissions. For the purpose of this section, "statewide power sector carbon dioxide emissions" means the total annual emissions of carbon dioxide from the generation of electricity within the state and all emissions of carbon dioxide from the generation of electricity imported from outside the state and consumed in Minnesota. Emissions of carbon dioxide associated with transmission and distribution line losses are included in this definition. Carbon dioxide that is injected into geological formations to prevent its release to the atmosphere in compliance with applicable laws, and emissions of carbon dioxide associated with the combustion of biomass, as defined in section 216B.2411, subdivision 2, paragraph (c), clauses (1) to (4), are not counted as contributing to statewide power sector carbon dioxide emissions.

Subd. 3. Long-term increased emissions from power plants prohibited. Unless preempted by federal law, until a comprehensive and enforceable state law or rule pertaining to greenhouse gases that directly limits and substantially reduces, over time, statewide power sector carbon dioxide emissions is enacted and in effect, and except as allowed in subdivisions 4 to 7, on and after August 1, 2009, no person shall:

1. construct within the state a new large energy facility that would contribute to statewide power sector carbon dioxide emissions;

2. import or commit to import from outside the state power from a new large energy facility that would contribute to statewide power sector carbon dioxide emissions; or

3. enter into a new long-term power purchase agreement that would increase statewide power sector carbon dioxide emissions. For purposes of this section, a long-term power purchase agreement means an agreement to purchase 50 megawatts of capacity or more for a term exceeding five years.

Subd. 4. Exception for facilities that offset emissions. (a) The prohibition in subdivision 3 does not apply if the project proponent demonstrates to the Public Utilities Commission's satisfaction that it will offset the new contribution to statewide power sector carbon dioxide emissions with a carbon dioxide reduction project identified in paragraph (b) and in compliance with paragraph (c).
(b) A project proponent may offset in an amount equal to or greater than the proposed new contribution to statewide power sector carbon dioxide emissions in either, or a combination of both, of the following ways:

(1) by reducing an existing facility's contribution to statewide power sector carbon dioxide emissions; or

(2) by purchasing carbon dioxide allowances from a state or group of states that has a carbon dioxide cap and trade system in place that produces verifiable emissions reductions.

(c) The Public Utilities Commission shall not find that a proposed carbon dioxide reduction project identified in paragraph (b) acceptably offsets a new contribution to statewide power sector carbon dioxide emissions unless the proposed offsets are permanent, quantifiable, verifiable, enforceable, and would not have otherwise occurred. This section does not exempt emissions that have been offset under this subdivision and emissions exempted under subdivisions 5 to 7 from a cap and trade system if adopted by the state.

Subd. 5. Exception for new steel production facility. The prohibition in subdivision 3 does not apply to increases in statewide power sector carbon dioxide emissions from a new steel production project located in a taconite relief area that has filed an application for an air quality permit from the Pollution Control Agency prior to January 1, 2007.

Subd. 6. Exception for iron nugget production facility. The prohibition in subdivision 3 does not apply to an iron nugget production facility that began construction prior to January 31, 2007, nor to associated mining activities and beneficiation facilities with a concentrate capacity of up to three million tons annually. For the purposes of this subdivision, "iron nugget" means a product with at least 90 percent iron content.

Subd. 7. Other exemptions. The prohibition in subdivision 3 does not apply to:

(1) a new large energy facility under consideration by the Public Utilities Commission pursuant to proposals or applications filed with the Public Utilities Commission before April 1, 2007, or to any power purchase agreement related to a facility described in this clause. The exclusion of pending proposals and applications from the prohibitions in subdivision 3 does not limit the applicability of any other law and is not an expression of legislative intent regarding whether any pending proposal or application should be approved or denied;

(2) a contract not subject to commission approval that was entered into prior to April 1, 2007, to purchase power from a new large energy facility that was approved by a comparable authority in another state prior to that date, for which municipal or public power district bonds have been issued, and on which construction has begun; or

(3) a new large energy facility or a power purchase agreement between a Minnesota utility and a new large energy facility located outside Minnesota that the Public Utilities Commission has determined is essential to ensure the long-term reliability of Minnesota's electric system, to allow electric service for increased industrial demand, or to avoid placing a substantial financial burden on Minnesota ratepayers. An order of the commission granting an exemption under this clause is stayed until the June 1 following the next regular or annual session of the legislature that begins after the date of the commission's final order.

Subd. 8. Enforcement. Whenever the commission or the Department of Commerce determines that any person is violating or about to violate this section, it may refer the matter to the attorney general who shall take appropriate legal action. This section may be enforced by the attorney general on the same basis as a law listed in section 8.31, subdivision 1, except that the remedies provided by section 8.31, subdivision 3a, do not apply to a violation of this section.

EFFECTIVE DATE. This section is effective January 1, 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 Westrom amendment and the roll was called. There were 58 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Demmer  Gunther  Koenen  Murdock  Shimanski
Anderson, P.  Dettmer  Hackbarth  Kohls  Nornes  Smith
Anderson, S.  Doepke  Hamilton  Lanning  Olin  Torkelson
Beard  Doty  Holberg  Lieder  Pelowski  Urdahl
Brod  Downey  Hoppe  Loon  Peppin  Ward
Brown  Drazkowski  Hosch  Mack  Poppe  Welti
Buesgens  Eastlund  Howes  Magnus  Sanders  Westrom
Cornish  Fritz  Kath  Marquart  Scott  Zellers
Davids  Garofalo  Kelly  McFarlane  Seifert
Dean  Gottwald  Kiffmeyer  McNamara  Severson

Those who voted in the negative were:

Abeler  Dittrich  Hortman  Mahoney  Paymar  Solberg
Anzelc  Eken  Huntley  Mariani  Persell  Sterner
Atkins  Falk  Jackson  Masin  Peterson  Swails
Benson  Faust  Johnson  Morgan  Reinert  Thao
Bigham  Gardner  Juhnke  Morrow  Rosenthal  Thissen
Bly  Greiling  Kahn  Mullery  Rukavina  Tillberry
Brynaert  Hansen  Kalin  Murphy, E.  Ruud  Wagenius
Bunn  Hausman  Knuth  Murphy, M.  Sailer  Winkler
Carlson  Haws  Laine  Nelson  Scalze  Spk. Kelliher
Champion  Hayden  Lenczewski  Newton  Sertich
Clark  Hilstrom  Liebling  Norton  Simon
Davnie  Hilty  Lillie  Obermueller  Slawik
Dill  Hornstein  Loeffler  Otremba  Slocum

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

Hackbarth was excused between the hours of 5:55 p.m. and 8:10 p.m.

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;
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 86 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Abeler  Doty  Juhnke  Mahoney  Olin  Slocum
Anderson, S.  Eken  Kahn  Marquart  Otremba  Solberg
Anzelc  Faust  Kalin  Masin  Pelowski  Sterner
Atkins  Fritz  Kath  McFarlane  Persell  Swails
Beard  Gardner  Kelly  McNamara  Peterson  Thao
Benson  Hansen  Knuth  Morgan  Poppe  Thissen
Bigham  Haws  Koenen  Morrow  Remert  Tillberry
Bly  Hayden  Laine  Murdock  Rosenthal  Ward
Brown  Hilstrom  Lanning  Murphy, E.  Rukavina  Westrom
Brynaert  Hilty  Lenczewski  Murphy, M.  Ruud
Bunn  Hosch  Liebling  Nelson  Sailer  Spk. Kelliher
Carlson  Howes  Lieder  Newton  Scalze
Cornish  Huntley  Lillie  Nornes  Sertich
Dill  Jackson  Loeffler  Norton  Simon
Dittrich  Johnson  Loon  Obermueller  Slawik

Those who voted in the negative were:

Anderson, B.  Dean  Gottwalt  Hortman  Peppin  Wagenius
Anderson, P.  Demmer  Greiling  Kiffmeyer  Sanders  Winkler
Brod  Dettmer  Gunther  Kohls  Scott
Buesgens  Doepke  Hamilton  Mack  Seifert
Champion  Downey  Hausman  Magnus  Severson
Clark  Eastlund  Holberg  Mariani  Shimanski
Davids  Falk  Hoppe  Mullery  Torkelson
Davnie  Garofalo  Hornstein  Paymar  Udahl

The bill was passed, as amended, and its title agreed to.

S. F. No. 3080 was reported to the House.

Hilty moved to amend S. F. No. 3080, the first engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 3667, the first engrossment:

"Section 1. Minnesota Statutes 2008, section 216B.1692, subdivision 8, is amended to read:

  Subd. 8. Sunset. This section is effective until December 31, 2013 2015, and applies to plans, projects, and riders approved before that date and modifications made to them after that date."
Sec. 2. Minnesota Statutes 2008, section 216B.6851, subdivision 3, is amended to read:

Subd. 3. **Plan for 90 percent reduction required.** A public utility that elects to be regulated under this section must file a mercury emissions-reduction plan that is designed to achieve total mercury reduction at targeted and supplemental units owned by the utility equivalent to a goal of 90 percent reduction of mercury emissions at the utility's targeted units by December 31, 2014.

Sec. 3. Minnesota Statutes 2008, section 216B.6851, subdivision 5, is amended to read:

Subd. 5. **Early action; wet scrubbed units.** (a) The utility electing for regulation under this section shall file an initial plan for mercury emissions reduction at one of its two wet scrubbed units on or before December 31, 2007. The plan must provide for mercury emissions reduction to be implemented at that unit by December 31, 2010. If the plan is approved by the commission, and implemented by the utility, the utility may have until July 1, 2015, to file its plans for reduction at its other wet scrubbed unit at the qualifying facility, and may have until December 31, 2018, to implement mercury emissions reduction at that unit.

(b) Until the utility files its plans for the other wet scrubbed unit, the utility must submit to the commission and agency, by July 1 each year, beginning in 2011, a report containing the following information:

(1) mercury control plans for units subject to this section, including how elements of the plans may affect the performance and cost-effectiveness of emission controls for air pollutants other than mercury;

(2) an assessment of the impacts of federal laws regulating various air pollutants emitted by coal-fired power plants that can reasonably be expected to be enacted by 2018 on the utility's units subject to this section, and potential utility responses to those laws, including, but not limited, to:

(i) installing pollution control equipment;

(ii) using pollution allowances to achieve regulatory compliance; and

(iii) retiring or repowering the plant that is the subject of the filing with cleaner fuels considering the costs of complying with state and federal environmental regulations.

For each potential response, the report must include an analysis of the impacts on ratepayers, the utility's financial position, and utility operations, including the impacts on the service life of affected units.

(c) The utility shall consult with the agency, the Department of Commerce, and other interested stakeholders to determine which future federal laws to assess under paragraph (b), clause (2), and the scope of the assessment of the impact of those laws.

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

Sec. 4. Minnesota Statutes 2008, section 216B.6851, subdivision 6, is amended to read:

Subd. 6. **Agency review and commission approval.** (a) The agency shall review the utility's plans as provided in section 216B.684.

(b) The Public Utilities Commission shall review and evaluate a utility's mercury emissions-reduction plans submitted under this section. In its review, the commission shall consider the environmental and public health benefits, the agency's determination of technical feasibility, competitiveness of customer rates, and cost-effectiveness of the utility's proposed mercury-control initiatives in light of the Pollution Control Agency's review
under paragraph (a). Within 180 days of receiving the agency's report, the commission shall approve a utility's mercury emissions-reduction plan that the commission reasonably expects will come closest to achieving total mercury reductions at targeted and supplemental units owned by the utility equivalent to a goal of 90 percent reduction of mercury emissions at the utility's targeted units by December 31, 2014, in a manner that provides for increased environmental and public health benefits without imposing excessive costs on the utility's customers. If the commission is unable to approve the utility's 90 percent reduction plan filed under subdivision 3, the commission, in consultation with the Pollution Control Agency, shall order the utility to implement the most stringent mercury-control alternative proposed by the utility under this section that provides for increased environmental and public health benefits without imposing excessive costs on the utility's customers.

(c) At each targeted and supplemental unit included in a plan under this section, a utility shall propose to implement mercury emissions-control measures that will result in the greatest reduction of mercury emitted from that unit that is technically feasible without imposing excessive costs."

Delete the title and insert:

"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.6851, subdivisions 3, 5, 6."

The motion prevailed and the amendment was adopted.

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 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 117 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Abeler
Anderson, B.
Anderson, P.
Anderson, S.
Anzelc
Atkins
Beard
Benson
Bigham
Bly
Brod
Brown
Brynaert
Buesgens
Bunn
Carlson
Champion
Clark
Cornish
Davids
Dean
Demmer
Dettmer
Dill
Dittrich
Doepke
Doty
Downey
Drazkowski
Eastlund
Eken
Faust
Fritz
Gardner
Garofalo
Gottwald
Gunther
Hamilton
Hansen
Haws
Hilstrom
Hilty
Hofberg
Hortman
Hosch
Howes
Huntley
Jackson
Kalin
Kelly
Kiffmeyer
Knuth
Koenen
Kohls
Laine
Lamping
Lenciowsk
Lieder
Lillie
Loon
Mack
Magnus
Mahoney
Marquart
Masin
McFarlane
McNamara
Morgan
Morrow
Murdock
Murphy, M.
Nelson
Newton
Nornes
Norton
Nordskiold
Obermueller
Olin
Otremba
Pelowski
Peppin
Persell
Peterson
Poppe
Reinert
Rukavina
Rosenthal
Rud
Sailer
Sanders
Scalze
Scott
Seifert
Sertich
Severson
Shimanski
Simon
Slawik
Slocum
Smith
Solberg
Sterner
Swails
Thao
Thissen
Tillberry
Torkelson
Urdahl
Ward
Welti
Westrom
Winkler
Zellers
Spk. Kelliher
Those who voted in the negative were:

- Davnie
- Falk
- Greiling
- Hausman
- Kahn
- Mariani
- Paymar
- Hayden
- Liebling
- Mullery
- Wagenius
- Hornstein
- Loeffler
- Murphy, E.

The bill was passed, as amended, and its title agreed to.

Speaker pro tempore Thissen called Juhnke to the Chair.

Kohls was excused between the hours of 6:15 p.m. and 7:15 p.m.

H. F. No. 3033 was reported to the House.

Loon, Westrom and Beard moved to amend H. F. No. 3033, the first engrossment, as follows:

Page 3, line 17, before the semicolon, insert "or by an electrical contractor or residential building contractor licensed in this state who has completed any installation training offered by the manufacturer of the solar photovoltaic module to be installed"

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

Anderson, B.; Shimanski; Drazkowski and Kelly moved to amend H. F. No. 3033, the first engrossment, as follows:

Page 2, after line 13, insert:

"(e) After January 1, 2012, any funds collected under this subdivision for purposes other than payment of renewable energy production incentives, as specified in subdivision 2, are to be refunded to the ratepayers of the utility subject to subdivision 1.

(f) This section expires January 1, 2021."

Page 2, before line 15, insert:

"Sec. 2. Minnesota Statutes 2009 Supplement, section 116C.779, subdivision 2, is amended to read:

Subd. 2. Renewable energy production incentive. (a) Until January 1, 2021, $10,900,000 annually must be allocated from available funds in the account to fund renewable energy production incentives. $9,400,000 of this annual amount is for incentives for electricity generated by wind energy conversion systems that are eligible for the incentives under section 216C.41 or Laws 2005, chapter 40.

(b) The balance of this amount, up to $1,500,000 annually, may be used for production incentives for on-farm biogas recovery facilities and hydroelectric facilities that are eligible for the incentive under section 216C.41 or for production incentives for other renewables, to be provided in the same manner as under section 216C.41."
(c) Any portion of the $10,900,000 not expended in any calendar year for the incentive is available for other spending purposes under this section, except that, after January 1, 2012, the unexpended portion of the $10,900,000 must be refunded to the ratepayers of the utility subject to subdivision 1. This subdivision does not create an obligation to contribute funds to the account.

(d) The Department of Commerce shall determine eligibility of projects under section 216C.41 for the purposes of this subdivision. At least quarterly, the Department of Commerce shall notify the public utility of the name and address of each eligible project owner and the amount due to each project under section 216C.41. The public utility shall make payments within 15 working days after receipt of notification of payments due.

Sec. 3. Minnesota Statutes 2009 Supplement, section 116C.779, subdivision 3, is amended to read:

Subd. 3. Initiative for Renewable Energy and the Environment. (a) Beginning July 1, 2009, and each July 1 through 2012 2011, $5,000,000 must be allocated from the renewable development account to fund a grant to the Board of Regents of the University of Minnesota for the Initiative for Renewable Energy and the Environment for the purposes described in paragraph (b). The Initiative for Renewable Energy and the Environment must set aside at least 15 percent of the funds received annually under the grant for qualified projects conducted at a rural campus or experiment station. Any set-aside funds not awarded to a rural campus or experiment station at the end of the fiscal year revert back to the Initiative for Renewable Energy and the Environment for its exclusive use. This subdivision does not create an obligation to contribute funds to the account.

(b) Activities funded under this grant may include, but are not limited to:

(1) environmentally sound production of energy from a renewable energy source, including biomass and agricultural crops;

(2) environmentally sound production of hydrogen from biomass and any other renewable energy source for energy storage and energy utilization;

(3) development of energy conservation and efficient energy utilization technologies;

(4) energy storage technologies; and

(5) analysis of policy options to facilitate adoption of technologies that use or produce low-carbon renewable energy.

(c) For the purposes of this subdivision:

(1) "biomass" means plant and animal material, agricultural and forest residues, mixed municipal solid waste, and sludge from wastewater treatment; and

(2) "renewable energy source" means hydro, wind, solar, biomass, and geothermal energy, and microorganisms used as an energy source.

(d) Beginning January 15 of 2010, and each year thereafter, the director of the Initiative for Renewable Energy and the Environment at the University of Minnesota shall submit a report to the chair and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy finance describing the activities conducted during the previous year funded under this subdivision."
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 Anderson, B., et al amendment and the roll was called. There were 43 yeas and 86 nays as follows:

Those who voted in the affirmative were:
- Abeler
- Anderson, B.
- Anderson, P.
- Anderson, S.
- Beard
- Brod
- Buesgens
- Cornish
- Davids
- Dean
- Dettmer
- Doepke
- Downey
- Drazkowski
- Eastlund
- Garofalo
- Gunther
- Hamilton
- Holberg
- Hoppe
- Howes
- Kath
- Lanning
- Mack
- Magnus
- McNamara
- Nornes
- Peppin
- Sanders
- Scott
- Seifert
- Severson
- Shimanski
- Smith
- Torkelson

Those who voted in the negative were:
- Anzelc
- Atkins
- Benson
- Bigham
- Bly
- Brown
- Brynaert
- Bunn
- Carlson
- Champion
- Clark
- Davnie
- Dill
- Dittrich
- Doty
- Eken
- Faust
- Fritz
- Gardner
- Greiling
- Hansen
- Hausman
- Haws
- Hayden
- Hilstrom
- Hilty
- Hornstein
- Hortman
- Hosch
- Huntley
- Johnson
- Juhnke
- Kahn
- Kalin
- Knuth
- Koenen
- Laine
- Lenczewski
- Lesch
- Liebling
- Liede
- Lillie
- Lofeffer
- Mahoney
- Marquart
- Masin
- Morgan
- Mullah
- Murphy, E.
- Murphy, M.
- Nelson
- Newton
- Obermueller
- Olin
- Otemba
- Paymar
- Paymar
- Pelowski
- Persell
- Peterson
- Poppe
- Remert
- Rosenthal
- Rukavina
- Ruud
- Sailer
- Sailer
- Scalze
- Simon
- Slawik
- Smith
- Solberg
- Sternet
- Swails
- Thao
- Thiesen
- Tillberry
- Wagenius
- Ward
- Welti
- Winkler
- Spk. Kelliher

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

Hoppe, Hackbarth and Magnus moved to amend H. F. No. 3033, the first engrossment, as follows:

Page 2, line 33, before the period, insert "' except that after December 31, 2011, "qualified property" means a residence, multifamily, business, or publicly owned building located in the taconite assistance area defined in section 273.1341"

Page 4, after line 6, insert:

"Sec. 3. Minnesota Statutes 2009 Supplement, section 298.292, subdivision 2, is amended to read:"
Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust fund may be used for the following purposes:

1. to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall not exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight percent or an interest rate three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved;

2. to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211;

3. to pay in periodic payments or in a lump-sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources;

4. to invest in a venture capital fund or enterprise that will provide capital to other entities that are engaging in, or that will engage in, projects or programs that have the purposes set forth in subdivision 1. No investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least $500,000 in the venture capital fund or enterprise, and the investment by the Douglas J. Johnson economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to the entity in which the investment is made or to any individual who owns more than 40 percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the limitations under this clause, the amount of investments made by an investor other than the Douglas J. Johnson economic protection trust fund is the sum of all investments made in the venture capital fund or enterprise during the period beginning one year before the date of the investment by the Douglas J. Johnson economic protection trust fund; and

5. to purchase forest land in the taconite assistance area defined in section 273.1341 to be held and managed as a public trust for the benefit of the area for the purposes authorized in section 298.22, subdivision 5a. Property purchased under this section may be sold by the commissioner upon approval by at least seven Iron Range Resources and Rehabilitation Board members. The net proceeds must be deposited in the trust fund for the purposes and uses of this section; and

6. for rebates to property owners who install solar photovoltaic modules manufactured in Minnesota, as specified in section 116C.7791.

Money from the trust fund shall be expended only in or for the benefit of the taconite assistance area defined in section 273.1341."

Page 4, line 9, delete everything after "2011"

Page 4, line 10, delete everything before "from"

Page 4, after line 12, insert:
"(b) $4,000,000 in fiscal year 2012 and $5,000,000 in each fiscal year from 2013 to 2015, is transferred from the fund established in Minnesota Statutes, section 289.292, to the commissioner of commerce. The commissioner of commerce must place the funds in the special revenue fund."

Reletter the paragraphs in sequence

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

Loon moved to amend H. F. No. 3033, the first engrossment, as follows:

Page 3, line 32, delete "$5" and insert "$1"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Westrom moved to amend H. F. No. 3033, the first engrossment, as follows:

Page 2, line 32, delete "the assigned service area of the utility subject to" and insert "this state"

Page 2, delete line 33

Page 4, after line 5, insert:

"Subd. 5. Right of first refusal. A utility has the right of first refusal to purchase the electrical energy produced within its service area under this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Peppin and Westrom moved to amend H. F. No. 3033, the first engrossment, as follows:

Page 1, delete section 1

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 Peppin and Westrom amendment and the roll was called. There were 44 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abeler       Davids       Garofalo    Kiffmeyer    Nornes     Torkelson
Anderson, B.  Dean         Gottwald   Lanning     Peppin     Urdahl
Anderson, P.  Demmer       Gunther    Loon        Sanders    Westrom
Anderson, S.  Dettmer       Hamilton   Mack        Scott      Zellers
Beard        Doepke        Holberg    Magnus      Seifert
Brod         Downey        Hoppe      McFarlane   Severson
Buesgens     Drazkowski    Howes      McNamara    Shimanski
Cornish      Eastlund      Kelly      Murdock     Smith

Those who voted in the negative were:

Anzelc       Eken         Huntley    Loeffler    Otremba    Slocum
Atkins       Falk         Jackson    Mahoney    Paymar     Solberg
Benson       Faust        Johnson    Mariani     Pelowski   Sterner
Bigham       Fritz         Juhnke     Marquart    Persell    Swails
Bly          Gardner      Kahn       Masin       Peterson   Thao
Brown        Greiling     Kalin      Morgan     Poppe      Thissen
Brynaert     Hansen       Kath       Morrow     Reinert    Tillberry
Bunn         Hausman      Knuth      Mullery    Rosenthal  Wagenius
Carlson      Haws         Koenen     Murphy, E. Rukavina  Ward
Champion     Hayden       Laine      Murphy, M. Ruud      Welti
Clark        Hilstrom     Lenczewski Nelson     Sailer     Winkler
Davnie       Hilty        Lesch      Newton     Scalf     Spk. Kelliher
Dill         Hornstein    Liebling   Norton      Sertich
Dittrich     Hortman      Lieder     Obermueller Simon
Doty         Hosch        Lillie     Olin        Slawik

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

Anderson, S., moved to amend H. F. No. 3033, the first engrossment, as follows:

Page 4, after line 20, insert:

"(d) The commissioner of commerce shall determine as a percentage the number of ratepayers that are not eligible for the funds appropriated under paragraph (a). The commissioner shall reduce the appropriation by that percentage in fiscal year 2011 and each fiscal year thereafter."

A roll call was requested and properly seconded.

The question was taken on the Anderson, S., amendment and the roll was called. There were 45 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Beard       Cornish       Demmer    Downey     Garofalo
Anderson, P.  Brod         Davids       Dettmer    Drazkowski Gottwald
Anderson, S.  Buesgens     Dean         Doepke     Eastlund   Gunther
The motion did not prevail and the amendment was not adopted.

H. F. No. 3033, A bill for an act relating to energy; modifying fee for storage of spent nuclear fuel; establishing rebate program for solar photovoltaic modules; appropriating money; amending Minnesota Statutes 2008, section 116C.779, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116C.

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

The question was taken on the passage of the bill and the roll was called. There were 98 yeas and 33 nays as follows:

Those who voted in the affirmative were:
Those who voted in the negative were:

Anderson, B.  Davids  Drazkowski  Hoppe  Peppin  Smith
Anderson, P.  Dean  Eastlund  Kelly  Sanders  Torkelson
Beard  Demmer  Garofalo  Kiffmeyer  Scott  Zellers
Brod  Dettmer  Gottwalt  Lanning  Seifert
Buesgens  Doepke  Hamilton  Loo  Severson
Cornish  Downey  Holberg  Mack  Shimanski

The bill was passed and its title agreed to.

S. F. No. 1537 was reported to the House.

MOTION TO LAY ON THE TABLE

Brod moved that S. F. No. 1537 be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Brod motion and the roll was called. There were 43 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Davids  Drazkowski  Hoppe  Peppin  Smith
Anderson, P.  Dean  Eastlund  Kelly  Sanders  Torkelson
Anderson, S.  Demmer  Gunther  Mack  Sanders  Westrom
Beard  Dettmer  Hamilton  Magnus  Scott  Zellers
Buesgens  Doepke  Hamilton  Loo  Severson
Cornish  Eastlund  Kelly  Nornes  Smith
Davids  Garofalo  Kiffmeyer  Olin  Torkelson

Those who voted in the negative were:

Anzelc  Eken  Huntley  Loeffler  Paymar  Solberg
Atkins  Falk  Jackson  Mahoney  Pelowski  Sterner
Benson  Faust  Johnson  Mariani  Persell  Swails
Bigham  Fritz  Juhnke  Marquart  Peterson  Thao
Bly  Gardner  Kahn  Masin  Poppe  Thissen
Brown  Greiling  Kalin  Morgan  Reinert  Tillberry
Brynaert  Hansen  Kath  Morrow  Rosenthal  Wagenius
Bunn  Hausman  Knuth  Mullery  Rukavina  Ward
Carlson  Haws  Koenen  Murphy, E.  Ruud  Welti
Champion  Hayden  Laine  Murphy, M.  Sailer  Winkler
Clark  Hilstrom  Lenczewski  Nelson  Scalze  Spk. Kelliher
Davnie  Hilty  Lesch  Newton  Sertich
Dill  Hornstein  Lilebling  Norton  Simon
Dittrich  Hortman  Lieder  Obermueller  Slawik
Doty  Hosch  Lillie  Otremba  Slocum

The motion did not prevail.
Abeler was excused between the hours of 6:55 p.m. and 7:35 p.m.

Drazkowski moved to amend S. F. No. 1537, the second unofficial engrossment, as follows:

Page 3, after line 11, insert:

"Sec. 3. ENERGY REDUCTION REPORT.

Subdivision 1. Definition. For the purposes of this section, "study area" means those portions of Wabasha and Goodhue Counties located within one mile of the high-voltage transmission line extending from Hampton to Rochester proposed by CAPX2020 that has applied for a route permit from the Minnesota Public Utilities Commission.

Subd. 2. Report. (a) By February 15, 2011, an organization with experience in energy conservation and energy planning at the neighborhood level that serves as project manager must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy that contains the following information:

(1) projections of the amount of energy that can be conserved and generated through the implementation of cost-effective energy efficiency investments; innovative energy storage projects, including thermal energy storage; smart-grid technologies; and energy produced from distributed generation projects fueled by solar photovoltaic and other renewable energy sources located in the study area;

(2) for each energy-reducing or energy-generating element recommended, estimates of the amount of energy conserved or generated, the reduction in peak demand requirements in the focused study area, and the cost per unit of energy saved or generated; and

(3) an estimate of the number of green jobs that would be created through implementation of the report's recommendations.

(b) Information requests with respect to the study are governed by the rules for contested case hearings in Minnesota Rules, part 1400.6700.

(c) The project manager may contract for portions of the work required to complete the report.

Subd. 3. Community steering report. (a) The project manager shall convene a community steering committee to provide input to the report. Appointments to the steering committee must reflect the diversity of the study area, and include representatives of study area residents, including homeowners, building owners and renters, businesses, churches, other institutions, including local hospitals, and local elected officials representing the study area. All meetings held by the community steering committee or any subcommittees it creates must be public meetings, with advance notice given to the public.

(b) The project manager shall seek to maximize the participation of study area residents, stakeholders, and institutions in recommending ideas to be included within the scope of the report and in reviewing initial and successive drafts of the report, including providing stipends for reasonable expenses when necessary to increase participation, but not including per diem payments. The project manager shall contact representatives of similar successful projects in other states to benefit from their experience and to learn about best practices for increasing public participation that can be replicated in Minnesota. The report must incorporate and respond to comments from the study area and the steering committee.
Subd. 4. Energy savings. The utility that serves the study area may apply energy savings resulting directly from the implementation of recommendations contained in the report regarding energy efficiency investments to its energy-savings goal under section 216B.241, subdivision 1c.

Page 3, line 20, delete "$100,000" and insert "$150,000"

Page 3, after line 30, insert:

"(d) $50,000 from the money deposited in the special revenue fund under paragraph (b) is appropriated to the commissioner of commerce for transfer to Wabasha County for a grant to an organization with experience in energy conservation and energy planning at the neighborhood level that is selected by Wabasha County, in consultation with Goodhue County, to serve as project manager for the purpose of completing the report required under section 4."

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 32 yeas and 96 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Dean  Hamilton  Magnus  Shimanski  Westrom
Anderson, P.  Demmer  Hoppe  Nornes  Slawik  Zellers
Beard  Dettmer  Hosch  Pelowski  Smith
Brod  Drazkowski  Howes  Scott  Thissen
Buesgens  Eastlund  Kelly  Setfert  Torkelson
Cornish  Gottwalt  Kimmeyer  Severson  Welti

Those who voted in the negative were:

Anderson, S.  Doepke  Hilty  Liebling  Murphy, M.  Sailer
Anzelc  Doty  Hornstein  Lieder  Nelson  Sanders
Atkins  Downey  Hortman  Lillie  Newton  Scalze
Benson  Eken  Huntley  Loeffler  Norton  Sertich
Bigham  Falk  Jackson  Loon  Obermueller  Simon
Bly  Faust  Johnson  Mack  Olin  Slocum
Brown  Fritz  Juhnke  Mahoney  Otrema  Solberg
Brynaert  Gardner  Kahn  Mariani  Paymar  Sterner
Bunn  Garofalo  Kalin  Marguart  Peppin  Swails
Carlson  Greiling  Kath  Masin  Persell  Thao
Champion  Gunther  Knuth  McNamara  Peterson  Tillberry
Clark  Hansen  Koenen  Morgan  Poppe  Udahl
Davids  Hausman  Laine  Morrow  Reinert  Wagenius
Davnie  Haws  Lanning  Mullery  Rosenthal  Ward
Dill  Hayden  Lenczewski  Murdock  Rukavina  Winkler
Dittrich  Hilstrom  Lesch  Murphy, E.  Ruud  Spk. Kelliher

The motion did not prevail and the amendment was not adopted.
Ruud was excused between the hours of 7:00 p.m. and 7:50 p.m.

Anderson, S., moved to amend S. F. No. 1537, the second unofficial engrossment, as follows:

Page 1, after line 12, insert:

"(b) The costs to a utility of participating in a certificate of need process required under this section must be recovered solely from ratepayers who reside in the city where the high-voltage transmission line is proposed to be located."

Page 1, line 13, delete "(b)" and insert "(c)"

Renumbe
rer 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 Anderson, S., amendment and the roll was called. There were 51 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Anderson, B. Dean Gottwalt Kiffmeyer Nornes Shimanski
Anderson, P. Demmer Gunther Lanning Paymar Smith
Anderson, S. Dettmer Hamilton Lenczewski Peppin Torkelson
Beard Doepke Holberg Loon Peterson Udahl
Brod Downey Hoppe Mack Rosenthal Westrom
Buesgens Drzakowski Howes Magnus Sanders Zellers
Bunn Eastlund Kalin McFarlane Scott
Cornish Gardner Kath McNamara Seifert
Davids Garofalo Kelly Murdock Severson

Those who voted in the negative were:

Anzelc Doty Hortman Lillie Obermueller Slocum
Atkins Eken Hosch Loeffler Olin Solberg
Benson Falk Huntley Mariani Otremba Sterner
Bigham Faust Jackson Marquart Pelowski Swails
Bly Fritz Johnson Masin Persell Thao
Brown Greiling Juhnke Morgan Poppe Thissen
Brynaert Hansen Kahl Morrow Reimert Tillberry
Carlson Hausman Knuth Mullery Rukavina Wagenius
Champion Haws Koenen Murphy, E. Sailer Ward
Clark Hayden Laine Murphy, M. Scalze Welti
Davnie Hilstrom Lesch Nelson Sertich Winkler
Dill Hilty Liebling Newton Simon Spk. Kelliher
Dittrich Hornstein Lieder Norton Slawik

The motion did not prevail and the amendment was not adopted.
Westrom moved to amend S. F. No. 1537, the second unofficial engrossment, as follows:

Page 3, delete subdivision 4

A roll call was requested and properly seconded.

The question was taken on the Westrom amendment and the roll was called. There were 43 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Dean  Gottwalt  Kohls  Nornes  Urdahl  Buesgens  Cornish  Davids
Anderson, P.  Demmer  Gunther  Lanning  Sanders  Westrom  Brod  Dettmer  Doepke  Buesgens  Eastlund  Garofalo  Buesgens
Anderson, S.  Beard  Hamilton  Holberg  Mack  Seifert  Buesgens  Cornish  Davids  Buesgens  Eastlund  Garofalo  Buesgens

Those who voted in the negative were:


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

S. F. No. 1537 was read for the third time.

S. F. No. 1537, A bill for an act relating to energy; requiring a certificate of need for certain transmission lines.

The bill was placed upon its final passage.
The question was taken on the passage of the bill and the roll was called. There were 85 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Abeler  Doty  Hosch  Lillie  Otremsba  Solberg
Anzelc  Eken  Howes  Loeffler  Paymar  Swails
Atkins  Falk  Hunley  Mahoney  Pelowski  Thao
Benson  Faust  Jackson  Mariani  Persell  Thissen
Bigham  Fritz  Johnson  Marquart  Peterson  Tillberry
Bly  Gardner  Juhnke  Masin  Poppe  Wagenius
Brown  Greiling  Kahn  Morgan  Rosenthal  Ward
Brynaert  Hansen  Kath  Morrow  Rukavina  Welti
Bunn  Hausman  Knuth  Mullery  Ruud  Winkler
Carlson  Haws  Koenen  Murphy, E.  Sailer  Spk. Kelliher
Champion  Hayden  Laine  Murphy, M.  Scalze
Clark  Hilstrom  Lenczewski  Nelson  Sertich
Davnie  Hilty  Lesch  Newton  Simon
Dill  Hornstein  Liebling  Norton  Slawik
Dittrich  Hortman  Lieder  Olin  Slocum

Those who voted in the negative were:

Anderson, B.  Dean  Gottwalt  Lanning  Obermueller  Sterner
Anderson, P.  Demmer  Gunther  Loon  Peppin  Torkelson
Anderson, S.  Detmer  Hamilton  Mack  Sanders  Urdahl
Beard  Doepke  Holberg  Magnus  Scott  Westrom
Brod  Downey  Hoppe  McFarlane  Seifert  Zellers
Buesgens  Drazkowski  Kelly  McNamara  Severson
Cornish  Eastlund  Kiffmeyer  Murdock  Shimanski
Davids  Garofalo  Kohls  Nornes  Smith

The bill was passed and its title agreed to.

S. F. No. 3081 was reported to the House.

Welti moved to amend S. F. No. 3081, the first engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 3641, the first engrossment:

"Section 1. Minnesota Statutes 2009 Supplement, section 216B.1612, subdivision 2, is amended to read:

Subd. 2. Definitions. (a) The terms used in this section have the meanings given them in this subdivision.

(b) "C-BED tariff" or "tariff" means a community-based energy development tariff.

(c) "Qualifying owner beneficiary" means:

(1) a Minnesota resident;
(2) a limited liability company that is organized under chapter 322B and that is made up of members who are Minnesota residents;

(3) (2) a Minnesota nonprofit organization organized under chapter 317A;

(4) (3) a Minnesota cooperative association organized under chapter 308A or 308B, including a rural electric cooperative association or a generation and transmission cooperative on behalf of and at the request of a member distribution utility;

(5) (4) a Minnesota political subdivision or local government including, but not limited to, a municipal electric utility, or a municipal power agency on behalf of and at the request of a member distribution utility; the office of the commissioner of Iron Range resources and rehabilitation; a county, statutory or home rule charter city, town, school district, or public or private higher education institution; or any other local or regional governmental organization such as a board, commission, or association; or

(6) (5) a tribal council; or

(6) a legal entity (i) formed for a purpose other than to participate in C-BED projects; (ii) whose principal place of business or principal executive office is located in Minnesota; and (iii) that provides labor, services, equipment, components, or financing to a C-BED project.

A public utility, as defined in section 216B.02, subdivision 4, is not a qualifying beneficiary.

(d) "Net present value rate" means a rate equal to the net present value of the nominal payments to a project divided by the total expected energy production of the project over the life of its power purchase agreement. "Qualifying revenue" includes, but is not limited to:

(1) royalties, distributions, dividends, and other payments flowing to individuals who are qualifying beneficiaries;

(2) fees for consulting, development, professional, construction, and operations and maintenance services paid to qualifying beneficiaries;

(3) interest and fees paid to financial institutions that are qualifying beneficiaries;

(4) the value-added portion of payments for goods manufactured in Minnesota; and

(5) production taxes.

(e) "Discount rate" means the ten-year United States Treasury Yield as quoted in the Wall Street Journal as of the date of application for determination under subdivision 10, plus five percent; except that the discount rate applicable to any qualifying revenues contingent upon an equity investor earning a specified internal rate of return is the ten-year United States Treasury Yield, plus eight percent.

(f) "Standard reliability criteria" means:

(1) can be safely integrated into and operated within the utility's grid without causing any adverse or unsafe consequences; and

(2) is consistent with the utility's resource needs as identified in its most recent resource plan submitted under section 216B.2422.
(4) (g) "Renewable" refers to a technology listed in section 216B.1691, subdivision 1, paragraph (a).

(g) (h) "Community-based energy development project" or "C-BED project" means a new renewable energy project that either as a stand-alone project or part of a partnership under subdivision 8:

(1) has no single qualifying owner beneficiary, including any parent company or subsidiary of the qualifying beneficiary, owning more than 15 percent of a C-BED wind energy project unless: (i) the C-BED wind energy project consists of only one or two turbines; or (ii) the qualifying owner beneficiary is a public entity listed under paragraph (c), clause (5), that is not a municipal utility;

(2) demonstrates that at least 51 percent of the net present value of the gross revenues from a power purchase agreement over the life of the project will flow to the qualifying owners and other local entities revenues; and

(3) has a resolution of support adopted by the county board of each county in which the project is to be located, or in the case of a project located within the boundaries of a reservation, the tribal council for that reservation.

(i) "Value-added portion" means the difference between the total sales price and the total cost of components, materials, and services purchased from or provided outside of Minnesota.

Sec. 2. Minnesota Statutes 2008, section 216B.1612, subdivision 3, is amended to read:

Subd. 3. Tariff rate. (a) The tariff described in subdivision 4 must have a rate schedule that allows for a net present value rate over the 20-year life of the power purchase agreement. The tariff must provide for a rate that is higher in the first ten years of the power purchase agreement than in the last ten years. The discount rate required to calculate the net present value must be the utility's normal discount rate used for its other business purposes.

(b) The commission shall consider mechanisms to encourage the aggregation of C-BED projects.

(c) The commission shall require that qualifying and nonqualifying owners C-BED projects provide sufficient security to secure performance under the power purchase agreement, and shall prohibit the transfer of the C-BED project to a nonqualifying owner during the initial 20 years of the contract.

Sec. 3. Minnesota Statutes 2008, section 216B.1612, subdivision 5, is amended to read:

Subd. 5. Priority for C-BED projects. (a) A utility subject to section 216B.1691 that needs to construct new generation, or purchase the output from new generation, as part of its plan to satisfy its good faith objective and standard under that section must take reasonable steps to determine if one or more C-BED projects are available that meet the utility's cost and reliability requirements, applying standard reliability criteria, to fulfill some or all of the identified need at minimal impact to customer rates.

Nothing in this section shall be construed to obligate a utility to enter into a power purchase agreement under a C-BED tariff developed under this section.

(b) Each utility shall include in its resource plan submitted under section 216B.2422 a description of its efforts to purchase energy from C-BED projects, including a list of the projects under contract and the amount of C-BED energy purchased.

(c) The commission shall consider the efforts and activities of a utility to purchase energy from C-BED projects when evaluating its good faith effort towards meeting the renewable energy objective under section 216B.1691.
(d) A municipal power agency or generation and transmission cooperative shall, when issuing a request for proposals for C-BED projects to satisfy its standard obligation under section 216B.1691, provide notice to its member distribution utilities that they may propose, in partnership with other qualifying owners beneficiaries, a C-BED project for the consideration of the municipal power agency or generation and transmission cooperative.

Sec. 4. Minnesota Statutes 2008, section 216B.1612, subdivision 7, is amended to read:

Subd. 7. Other C-BED tariff issues. (a) A community-based project developer and a utility shall negotiate the rate and power purchase agreement terms consistent with the tariff established under subdivision 4.

(b) At the discretion of the developer, a community-based project developer and a utility may negotiate a power purchase agreement with terms different from the tariff established under subdivision 4.

(c) A qualifying owner, or any combination of qualifying owners, may develop a joint venture project with a nonqualifying renewable energy project developer. A C-BED project may be jointly developed with a non-C-BED project. However, the terms of the C-BED tariff may only apply to the portion of the energy production of the total project that is directly proportional to the equity share of the project owned by the qualifying owners energy produced by the C-BED project.

(d) A project that is operating under a power purchase agreement under a C-BED tariff is not eligible for net energy billing under section 216B.164, subdivision 3, or for production incentives under section 216C.41.

(e) A public utility must receive commission approval of a power purchase agreement for a C-BED tariffed project. The commission shall provide the utility's ratepayers an opportunity to address the reasonableness of the proposed power purchase agreement. Unless a party objects to a contract within 30 days of submission of the contract to the commission the contract is deemed approved.

Sec. 5. Minnesota Statutes 2008, section 216B.1612, is amended by adding a subdivision to read:

Subd. 10. C-BED eligibility determination. A developer of a C-BED project may seek a predetermination of C-BED eligibility from the commissioner of commerce at any time, and must obtain a determination of C-BED eligibility from the commissioner of commerce, based on the project's final financing terms, before construction may begin. In seeking a determination of eligibility under this subdivision, a developer of a C-BED project must submit to the commissioner of commerce detailed financial projections demonstrating that, based on a net present value analysis, and applying the discount rate to qualifying revenues and gross revenues from a power purchase agreement, the project meets the requirements of subdivision 2, paragraph (h), clause (1)."

The motion prevailed and the amendment was adopted.

Speaker pro tempore Juhnke called Thissen to the Chair.

Welti moved to amend S. F. No. 3081, the first engrossment, as amended, as follows:

Page 1, line 13, after "resident" insert "individually or as a member of a Minnesota limited liability company organized under chapter 322B and formed for the purpose of developing a C-BED project"

Page 2, line 4, before "financing" insert "debt"
Page 2, line 12, after "flowing" insert "directly or indirectly"

Page 2, line 14, before "fees" insert "reasonable"

Page 3, line 2, strike everything after "(4)" and insert a semicolon

Page 3, line 24, before the period, insert ", and shall prohibit transfer of a C-BED project during the initial term of a power purchase agreement if the transfer will result in the project's no longer qualifying under section 216B.1612, subdivision 2, paragraph (h)"

Page 5, after line 1, before "A" insert "(a)"

Page 5, after line 9, insert:

"(b) A project is not required to obtain a predetermination of C-BED eligibility under this subdivision if it has received, prior to the effective date of this act: (1) an opinion letter from the commissioner indicating that the project qualifies as a C-BED project under this section; or (2) written notification from the Midwest Independent Systems Operator that the project retains a position in the interconnection queue.

(c) The commissioner's reexamination of the continued C-BED eligibility of a project that obtained its initial opinion letter regarding C-BED eligibility from the commissioner before the effective date of this act must only consider whether the project qualifies as a C-BED project based on the statutes applicable at the time the initial notice of C-BED eligibility was issued.

Sec. 6. EFFECTIVE DATE.

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

The motion prevailed and the amendment was adopted.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2614:

Huntley, Clark, Thissen, Hosch and Abeler.

CALANDAR FOR THE DAY, Continued

Speaker pro tempore Thissen called Juhnke to the Chair.

Drazkowski and Kelly moved to amend S. F. No. 3081, the first engrossment, as amended, as follows:

Page 3, line 5, strike "and"

Page 3, line 8, strike the period and insert ": and"
Page 3, after line 8, insert:

"(4) does not require a certificate of need under section 216B.243."

The motion prevailed and the amendment was adopted.

Abeler was excused between the hours of 8:30 p.m. and 10:35 p.m.

Falk moved to amend S. F. No. 3081, the first engrossment, as amended, as follows:

Page 2, line 4, delete "and"

Page 2, line 5, strike the period, and insert "; and"

Page 2, after line 5, insert:

"(iv) that is not wholly or partially owned by a foreign entity."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Welti moved to amend the Falk amendment to S. F. No. 3081, the first engrossment, as amended, as follows:

Page 1, line 6, delete "or partially"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 100 yeas and 32 nays as follows:

Those who voted in the affirmative were:

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<th>Hamilton</th>
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McNamara    Nornes    Persell    Sanders    Simon    Welti
Morrow      Norton    Peterson    Scalze    Slawik    Westrom
Mullery     Obermueller    Poppe    Scott    Smith    Winkler
Murdock     Olin    Reinert    Seifert    Swails    Zellers
Murphy, E.  Otrema    Rosenthal    Sertich    Torkelson    Spk. Kelliher
Murphy, M.  Pelowski    Ruud    Severson    Udahl
Nelson      Peppin    Sailer    Shimanski    Ward

Those who voted in the negative were:

Anzelc     Dill    Hortman    Mahoney    Rukavina    Tillberry
Atkins     Falk    Huntley    Mariani    Slocum    Wagenius
Benson     Fritz    Johnson    Masin    Otrema    Solberg
Bly        Greiling    Koenen    Morgan    Persell    Sertich
Bunn       Hansen    Lesch    Newton    Thao
Davnie     Hausman    Liebling    Paymar    Thissen

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Falk amendment, as amended, and the roll was called. There were 63 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Bigham     Gardner    Hosch    Lieder    Norton    Simon
Brynaert   Greiling    Howes    Loeffler    Olin    Slawik
Champion   Hansen    Jackson    Mariani    Otrema    Solberg
Clark      Hausman    Johnson    Marquart    Paymar    Swails
Davnie     Haws    Kahn    Masin    Morgan    Persell
Dittrich   Hayden    Kain    Morgan    Peterson    Ward
Doty       Hilstrom    Kelly    Morrow    Reinert    Winkler
Downey     Hilty    Knuth    Mullery    Rosenthal    Spk. Kelliher
Drazkowski Hoppe    Koenen    Murphy, E.    Sailer
Eken       Hornstein    Kohls    Murphy, M.    Scalze
Faust      Hortman    Liebling    Nelson    Sertich

Those who voted in the negative were:

Anderson, B.  Carlson    Gottwalt    Lesch    Pelowski    Sterner
Anderson, P.  Cornish    Gunther    Lillie    Peppin    Thao
Anderson, S.  Davids    Hackbarth    Loo     Poppe    Thissen
Anzelc     Dean    Hamilton    Mack    Rukavina    Tillberry
Atkins     Demmer    Holberg    Magnus    Ruud    Torkelson
Beard      Dettmer    Huntley    Mahoney    Sanders    Udahl
Benson     Dill    Juhnke    McFarlane    Scott    Wagenius
Bly        Doepke    Kath    McNamara    Seifert    Westrom
Brod       Eastlund    Kiffmeyer    Murdock    Severson    Zellers
Brown      Falk    Laine    Newton    Shimanski
Buesgens   Fritz    Lanning    Nornes    Slocum
Bunn       Garofalo    Lenczewski    Obermueller    Smith

The motion did not prevail and the amendment, as amended, was not adopted.
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 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 103 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Dettmer  Holberg  Liebling  Nornes  Severson
Anderson, P.  Dittrich  Hoppe  Lieder  Norton  Shimanski
Anderson, S.  Doepke  Hornstein  Lillie  Obermueller  Simon
Atkins  Doty  Hosch  Loeffler  Olin  Slawik
Beard  Downey  Howes  Loon  Otremba  Smith
Bigham  Drazkowski  Huntley  Mack  Pelowski  Swails
Brod  Eastlund  Jackson  Magnus  Peppin  Torkelson
Brown  Eken  Juhnke  Mahoney  Persell  Udahl
Brynaert  Faust  Kahn  Mariam  Poppe  Ward
Buesgens  Fritz  Kalin  Marquart  Reinert  Welti
Bunn  Gardner  Kath  McFarlane  Rosenthal  Westrom
Carlson  Garofalo  Kelly  McNamara  Ruud  Winkler
Champion  Gottwald  Kiffmeyer  Morrow  Sailer  Spk. Kelliher
Clark  Gunther  Knuth  Mullery  Sanders 
Cornish  Hackbart  Kohls  Murdock  Scalze
Davids  Hamilton  Laine  Murphy, E.  Scott
Dean  Haws  Lanning  Murphy, M.  Seifert
Demmer  Hilty  Lenczewski  Nelson  Sertich

Those who voted in the negative were:

Anzelc  Falk  Hilstrom  Masin  Rukavina  Thissen
Benson  Greiling  Hortman  Morgan  Slocum  Tillberry
Bly  Hansen  Johnson  Newton  Solberg  Wagenius
Davnie  Hausman  Koenen  Paymar  Sterner  Zellers
Dill  Hayden  Lesch  Peterson  Thao

The bill was passed, as amended, and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Sertich from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2227, A bill for an act relating to local government; establishing Minnesota Innovation and Research Council; imposing powers and duties of council; appropriating money; amending Minnesota Statutes 2008, section
3.971, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 465; repealing Minnesota Statutes 2008, section 6.80.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Sertich from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2405, A bill for an act relating to the legislature; proposing an amendment to the Minnesota Constitution, article IV, section 4; providing for temporary successors to members of the legislature called into active military service; providing for implementing statutory language; proposing coding for new law in Minnesota Statutes, chapter 3.

Reported the same back with the following amendments:

Page 2, line 16, after "member" insert "or to the minority leader of that house if the person is a member of the minority caucus,"

Page 2, line 19, after "officer" insert "or minority leader, as applicable,"

Page 2, line 24, after "officer" insert "or minority leader if the legislator is a member of the minority caucus,"

Page 2, lines 26 and 32, after "officer" insert "or minority leader"

Page 3, line 7, after "officer" insert "or minority leader"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2405 was read for the second time.

Speaker pro tempore Juhnke called Pelowski to the Chair.

FISCAL CALENDAR

Pursuant to rule 1.22, Solberg requested immediate consideration of H. F. No. 3790.
H. F. No. 3790 was reported to the House.

The Speaker assumed the Chair.

Murphy, M.; Haws; Brown; Lillie; Morgan; Urdahl; Faust; Hoppe; Hansen; Kelliher; Davids; Eken; Dill; Wagenius; Loeffler and Hausman moved to amend H. F. No. 3790, the first engrossment.

Buesgens requested a division of the Murphy, M., et al amendment to H. F. No. 3790, the first engrossment.

Buesgens further requested that the second portion of the divided Murphy, M., et al amendment be voted on first.

The second portion of the Murphy, M., et al amendment to H. F. No. 3790, the first engrossment, reads as follows:

Page 24, after line 6, insert:

"Sec. 6. **REPEALER.**

Minnesota Statutes 2009 Supplement, sections 3.3006; and 84.02, subdivisions 4a, 6a, and 6b, are repealed."

Page 24, line 30, delete "shall be" and insert "is to"

Page 24, delete lines 31 to 33

Page 25, line 1, delete "to be used by"

Page 27, delete section 5

Page 29, delete section 6

Page 36, line 28, delete "portion" and insert "limited sample"

Page 36, line 31, delete everything after "clean water fund."

Page 36, line 32, delete "state-issued bonds" and insert "and the arts and cultural heritage funds"

Page 36, line 32, after "audit" insert "must be based solely on the project's goals, parameters, and outcomes, as contained in approved project proposals and accomplishment plans, and"

Page 37, line 3, after "possible" insert ", and may not exceed one-quarter of one percent of available funds within the applicable dedicated fund in any given biennium"

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 second portion of the Murphy, M., et al amendment and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the second portion of the Murphy, M., et al amendment was adopted.

The first portion of the Murphy, M., et al amendment to H. F. No. 3790, the first engrossment, as amended, reads as follows:

Page 23, after line 18, insert:

"Sec. 3. Minnesota Statutes 2008, section 97A.056, is amended by adding a subdivision to read:

Subd. 1a. Definitions. For the purposes of this section, the following terms have the meanings given them:

(1) "protect" means action to maintain the ability of habitat and related natural systems to sustain fish, game, or wildlife through, but not limited to, acquisition of fee title or conservation easements;

(2) "restore" means action to renew degraded, damaged, or destroyed wetlands, prairies, forests, and habitat for fish, game, and wildlife with the ultimate goal of restoration to a desired conservation condition; and

(3) "enhance" means action to improve in value, quality, and desirability in order to increase the ecological value of wetlands, prairies, forests, and habitat for fish, game, and wildlife."

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 first portion of the Murphy, M., et al amendment and the roll was called. There were 110 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Anderson, P.  Dittrich  Hornstein  Liebling  Norton  Slocum
Anderson, S.  Doty  Hortman  Lieder  Obermueller  Smith
Anzelc  Downey  Hosch  Lillie  Olin  Solberg
Atkins  Drazkowski  Howes  Loeffler  Otremba  Sterner
Beard  Eken  Huntley  Mack  Paymar  Swails
Benson  Falk  Jackson  Mahoney  Pelowski  Thao
Bigham  Faust  Johnson  Mariani  Persell  Thissen
Bly  Fritz  Juhnke  Marquart  Peterson  Tillberry
Brown  Gardner  Kahn  Masin  Poppe  Udahl
Brynaert  Gottwalt  Kalin  McFarlane  Remert  Wagenius
Bunn  Greiling  Kath  McNamara  Rosenthal  Ward
Carlson  Gunther  Kelly  Morgan  Rukavina  Welti
Champion  Hansen  Kiffmeyer  Morrow  Ruud  Winkler
Clark  Hausman  Knuth  Mullery  Sailer  Zellers
Cornish  Haws  Koenen  Murdock  Sanders  Spk. Kelliher
Davids  Hayden  Laine  Murphy, E.  Scalze
Davnie  Hilstrom  Lanning  Murphy, M.  Sertich
Demmer  Hilty  Lenczewski  Nelson  Simon
Dill  Hoppe  Lesch  Newton  Slawik

Those who voted in the negative were:

Anderson, B.  Dettmer  Hackbarth  Loon  Scott  Torkelson
Brod  Doepke  Hamilton  Magnus  Seifert  Westrom
Buesgens  Eastlund  Holberg  Nornes  Severson
Dean  Garofalo  Kohls  Peppin  Shimanski

The motion prevailed and the first portion of the Murphy, M., et al amendment was adopted.

The Speaker called Pelowski to the Chair.

Hamilton moved amend H. F. No. 3790, the first engrossment, as amended, as follows:

Page 12, line 31, delete "20" and insert "10"

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

Paymar and Holberg moved to amend H. F. No. 3790, the first engrossment, as amended, as follows:

Page 14, delete lines 22 to 29

A roll call was requested and properly seconded.
The question was taken on the Paymar and Holberg amendment and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

Urdahl moved to amend H. F. No. 3790, the first engrossment, as amended, as follows:

Page 40, after line 30, insert:

"Sec. 9. **LITCHFIELD OPERA HOUSE.**

The Greater Litchfield Opera House Association may acquire, restore, upgrade and improve the Litchfield Opera House with any future appropriations for this project from the arts and cultural heritage fund."

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 Urdahl amendment and the roll was called. There were 24 yeas and 109 nays as follows:

Those who voted in the affirmative were:

Abeler  Beard  Juhnke  McNamara  Paymar  Thissen
Anderson, P.  Davids  Koenen  Murdock  Rukavina  Urdahl
Anderson, S.  Gardner  Lanning  Newton  Shimanski  Westrom
Anzelc  Hosch  McFarlane  Nornes  Thao  Zellers
Those who voted in the negative were:

| Anderson, B. | Dittrich | Hayden | Lenczewski | Norton | Simon |
| Atkins      | Doepke   | Hilstrom | Lesch     | Obermueller | Slawik |
| Benson      | Doty     | Hilty   | Liebling | Olin   | Slocum |
| Bigham      | Downey   | Holberg | Lieder   | Otremba | Smith |
| Bly         | Drazkowski | Hoppe  | Lillie   | Pelowski | Solberg |
| Brod        | Eastlund | Hornstein | Loeffler | Peppin | Sterner |
| Brown       | Eken     | Hortman | Loon     | Persell | Swails |
| Brynaert    | Falk     | Howes   | Mack     | Peterson | Tillberry |
| Buesgens    | Faust    | Huntley | Magnus   | Poppe  | Torkelson |
| Bunn        | Fritz    | Jackson | Mahoney  | Reinert | Wagenius |
| Carlson     | Garofalo | Johnson | Mariani  | Rosenthal | Ward |
| Champion    | Gottwald | Kahn    | Marquart | Ruud   | Welti |
| Clark       | Greiling | Kalin   | Masin    | Sailer  | Winkler |
| Cornish     | Gunther  | Kath    | Morgan   | Sanders | Spk. Kelliher |
| Davnie      | Hackbart | Kelly   | Morrow   | Scalze  | |
| Dean        | Hamilton | Kiffmeyer | Mullery | Scott  | |
| Demmer      | Hansen   | Knuth   | Murphy, E. | Seifert | |
| Dettmer     | Hausman  | Kohls   | Murphy, M. | Sertich | |
| Dill        | Haws     | Laine   | Nelson   | Severson | |

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

Anderson, S.; Hamilton and Drazkowski moved to amend H. F. No. 3790, the first engrossment, as amended, as follows:

Page 40, after line 33, insert:

"Sec. 9. **LAKE ZUMBRO.**

The county of Olmsted may restore, upgrade and improve Lake Zumbro and may allocate any future appropriations for this project from the clean water fund.

Sec. 10. **SCHMIDT LAKE.**

The city of Plymouth may restore, upgrade and improve Schmidt Lake and may allocate any future appropriations for this project from the clean water fund.

Sec. 11. **THOMPSON LAKE.**

The county of Dakota may restore, upgrade and improve Thompson Lake and may allocate any future appropriations for this project from the clean water fund."

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 Anderson, S., et al amendment and the roll was called. There were 15 yeas and 117 nays as follows:

Those who voted in the affirmative were:

Abeler  Anderson, S.  Beard  Demmer  Drazkowski  Gunther  Hackbarth  Lanning  McNamara  Murdock  Norton  Peterson  Smith  Urdahl  Welti

Those who voted in the negative were:

Anderson, B.  Anderson, P.  Anzelc  Atkins  Benson  Bigham  Bly  Brod  Brown  Brynaert  Buesgens  Bunn  Carlson  Champion  Clark  Davids  Davnie  Dean  Detterman  Dill  Dittrich  Doepke  Dill  Ditt  Ditt  Ditt  Ditt

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

H. F. No. 3790, A bill for an act relating to state government; appropriating money from constitutionally dedicated funds and providing for expenditure accountability, administration, and governance of outdoor heritage, clean water, parks and trails, and arts and cultural heritage purposes; establishing and modifying grants, programs, fees, and accounts; requiring reports; amending Minnesota Statutes 2008, sections 3.971, by adding a subdivision; 97A.056, by adding subdivisions; Minnesota Statutes 2009 Supplement, sections 85.53, subdivision 2; 114D.50, subdivision 4; 129D.17, subdivision 2; Laws 2009, chapter 172, article 2, section 4; proposing coding for new law in Minnesota Statutes, chapter 3; repealing Minnesota Statutes 2009 Supplement, sections 3.3006; 84.02, subdivisions 4a, 6a, 6b; Laws 2009, chapter 172, article 5, section 9.

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 99 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Abeler  Benson  Brown  Carlson  Cornish  Dill  Ditt  Ditt  Ditt  Ditt  Ditt  Ditt

The bill was read for the third time, as amended, and placed upon its final passage.
Those who voted in the negative were:

Anderson, B.  Dean  Garofalo  Kelly  Peppin  Shimanski
Anderson, P.  Demmer  Gottwald  Kiffmeyer  Rukavina  Westrom
Anderson, S.  Dettmer  Hackbart  Lanning  Sanders  Zellers
Beard  Downey  Hamilton  Loon  Scott
Brod  Drazkowski  Holberg  Mack  Seifert
Buesgens  Eastlund  Juhnke  Magnus  Severson

The bill was passed, as amended, and its title agreed to.

Dill and Thissen were excused for the remainder of today's session.

Pursuant to rule 1.50, Sertich moved that the House be allowed to continue in session after 12:00 midnight.

A roll call was requested and properly seconded.

The question was taken on the Sertich motion and the roll was called. There were 104 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Abeler  Cornish  Gottwald  Howes  Lesch  Morrow
Anzlec  Davnie  Greiling  Huntley  Liebling  Mullery
Atkins  Demmer  Gunther  Jackson  Lieder  Murdock
Benson  Dettmer  Hamilton  Johnson  Lillie  Murphy, E.
Bigham  Dittrich  Hansen  Kahn  Loeffler  Murphy, M.
Bly  Doty  Hausman  Kalin  Magnus  Nelson
Brod  Drazkowski  Haws  Kath  Mahoney  Newton
Brown  Eken  Hayden  Kelly  Mariani  Norton
Brynaert  Falk  Hilstrom  Kiffmeyer  Marquart  Obermueller
Bunn  Faust  Hilty  Knuth  Masin  Olin
Carlson  Fritz  Hornstein  Koenen  McFarlane  Paymar
Champion  Gardner  Hortman  Laine  McNamara  Pelowski
Clark  Garofalo  Hosch  Lenczewski  Morgan  Persell
Those who voted in the negative were:

Anderson, B.   Davids   Hackbarth   Lanning   Peppin   Sterner
Anderson, P.   Dean   Holberg   Loon   Sanders   Udahl
Anderson, S.   Doepke   Hoppe   Mack   Severson
Beard   Downey   Juhnke   Nornes   Shimanski
Buesgens   Eastlund   Kohls   Otrema   Smith

The motion prevailed.

**FISCAL CALENDAR, Continued**

Pursuant to rule 1.22, Solberg requested immediate consideration of S. F. No. 3275.

S. F. No. 3275 was reported to the House.

Kelly moved to amend S. F. No. 3275, the unofficial engrossment, as follows:

Page 48, after line 32, insert:

"Sec. 76. **REFUSE MANAGEMENT PILOT PROJECT; CANNON RIVER.**

The commissioner of natural resources shall establish a two-year pilot project on the Cannon River that allows canoe and inner tube rental establishments to take responsibility for the management of their patrons refuse on the river, including allowing canoe and inner tube establishments to provide disposable refuse containers to each group, rather than each person if needed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

**MOTION TO LAY ON THE TABLE**

McNamara moved that S. F. No. 3275 be laid on the table.

A roll call was requested and properly seconded.
The question was taken on the McNamara motion and the roll was called. There were 40 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Dean  Gottwalt  Kohls  Nornes  Smith
Anderson, P.  Demmer  Gunther  Loon  Peppin  Torkelson
Anderson, S.  Deitmer  Hackbarth  Mack  Sanders  Urda
Beard  Doepke  Hamilton  Magnus  Scott  Westrom
Brod  Downey  Holberg  McFarlane  Seifert  Zellers
Buesgens  Drazkowski  Hoppe  McNamara  Severson
Davids  Garofalo  Kiffmeyer  Murdock  Shimanski

Those who voted in the negative were:

Anzelc  Eastlund  Hosch  Liebling  Norton  Sertich
Atkins  Eken  Howes  Lieder  Oehmueler  Simon
Benson  Falk  Huntley  Lillie  Olin  Slawik
Bigham  Faust  Jackson  Loeffler  Otremba  Stlocum
Bly  Fritz  Johnson  Mahoney  Paymar  Solberg
Brown  Gardner  Juhnke  Mariani  Pelowski  Sterner
Brynaert  Greiling  Kahn  Marquart  Persell  Swails
Bunn  Hansen  Kalin  Masin  Peterson  Thao
Carlson  Hausman  Kauth  Morgan  Poppe  Tillberry
Champion  Haws  Kelly  Morrow  Reinert  Wagenius
Clark  Hayden  Knuth  Mulerry  Rosenthal  Ward
Cornish  Hilstrom  Koenen  Murphy, E.  Rukavina  Welti
Davnie  Hilty  Laine  Murphy, M.  Rued  Winkler
Dittrich  Hornstein  Lenczewski  Nelson  Sailer  Spk. Kelliher
Doty  Hortman  Lesch  Newton  Scalze

The motion did not prevail.

The question recurred on the Kelly amendment to S. F. No. 3275, the unofficial engrossment. The motion prevailed and the amendment was adopted.

Davids was excused for the remainder of today's session.

Lanning moved to amend S. F. No. 3275, the unofficial engrossment, as amended, as follows:

Page 28, after line 10, insert:

"Sec. 48. **[103A.212] BASIN WATERSHED MANAGEMENT POLICY.**

The quality of life of every Minnesotan depends on water. Minnesota's rivers, lakes, streams, wetlands and groundwater provide a foundation for drinking water and the state's recreational, municipal, commercial, industrial, agricultural, environmental, aesthetic, and economic well-being. The legislature finds that it is in the public interest
to manage groundwater and surface water resources from the perspective of aquifers, watersheds, and river basins to achieve protection, preservation, enhancement, and restoration of the state's valuable groundwater and surface water resources."

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 Lanning amendment and the roll was called. There were 108 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Abeler Abeler, S. Doepke Doepke, S. Hortman Hortman, S. Lieder Lieder, S. Nornes Nornes, S. Severson Severson, S.

Those who voted in the negative were:

Anderson, B. Anderson, P. Davnie Davnie, S. Dean Dean, S. Downey Downey, S. Drazkowski Drazkowski, S.

The motion prevailed and the amendment was adopted.

FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Faust announced his intention to place S. F. No. 2918; and H. F. Nos. 3729 and 2690 on the Fiscal Calendar for Friday, May 7, 2010.
FISCAL CALENDAR, Continued

Hortman moved to amend S. F. No. 3275, the unofficial engrossment, as amended, as follows:

Page 2, line 19, delete "submission"

Page 2, line 20, delete everything before the period and insert "conclusion of the project prerequisites in section 116D.04, subdivision 2b"

Page 35, line 14, delete "submission"

Page 35, line 15, delete everything before the period and insert "conclusion of the project prerequisites in section 116D.04, subdivision 2b"

Page 41, line 14, strike "during a 30 day period" and insert "within 30 business days"

A roll call was requested and properly seconded.

The question was taken on the Hortman amendment and the roll was called. There were 90 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Abeler  Downey  Hosch  Liebling  Nelson  Sailer
Anzelc  Eken  Howes  Lieder  Newton  Scalze
Atkins  Faust  Huntley  Lillie  Norton  Sertich
Benson  Fritz  Jackson  Loeffler  Obermueller  Simon
Bigham  Gardner  Johnson  Loom  Olin  Slawik
Bly  Greiling  Kahn  Mack  Otremba  Slocum
Brown  Hansen  Kalin  Mahoney  Paymar  Solberg
Brynaert  Hausman  Kath  Mariani  Pelowski  Sterner
Carlson  Haws  Knuth  Marquart  Persell  Swails
Champion  Hayden  Koenen  Masin  Peterson  Thao
Clark  Hilstrom  Kohls  Morgan  Poppe  Tillberry
Cornish  Hilty  Laine  Morrow  Reimert  Wagenius
Davnie  Hoppe  Lanning  Mullery  Rosenthal  Ward
Dittrich  Hornstein  Lenczewski  Murphy, E.  Rukavina  Welti
Doepke  Hortman  Lesch  Murphy, M.  Ruud  Spk. Kelliher

Those who voted in the negative were:

Anderson, B.  Dean  Garofalo  Kelly  Peppin  Torkelson
Anderson, P.  Demmer  Gottwalt  Kiffmeyer  Sanders  Urdahl
Anderson, S.  Detmer  Gunther  Magnus  Scott  Westrom
Bead  Doty  Hackbarth  McFarlane  Seifert  Zellers
Buer  Drazkowski  Hamilton  McNamara  Severson
Buesgens  Eastlund  Holberg  Murdock  Shimanski
Bunn  Falk  Juhnke  Nornes  Smith
Ruud moved to amend S. F. No. 3275, the unofficial engrossment, as amended, as follows:

Page 22, after line 23, insert:

"Sec. 40. Minnesota Statutes 2008, section 86B.501, is amended by adding a subdivision to read:

Subd. 4. **Rowing team members; personal flotation devices.** Notwithstanding subdivision 1, a member of a rowing team is not required to wear or possess, and no local ordinance or rule may require a member of a rowing team to wear or possess, a personal flotation device in a racing shell if a chase boat carrying the devices prescribed under subdivision 1 accompanies the racing shell.

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

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Kohls moved to amend S. F. No. 3275, the unofficial engrossment, as amended, as follows:

Page 34, after line 23, insert:

"Sec. 61. Minnesota Statutes 2008, section 115.55, is amended by adding a subdivision to read:

Subd. 5c. **Exemption.** Notwithstanding any law to the contrary, if a local unit of government approves a system in error, and the system is subsequently found noncompliant, the system is not subject to upgrade, replacement, or discontinue of use requirements provided the noncompliance stems only from the initial error in approval and no malfunction of the system exists.

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Urdahl moved to amend S. F. No. 3275, the unofficial engrossment, as amended, as follows:

Page 40, delete section 65, and insert:

"Sec. 65. Minnesota Statutes 2008, section 116D.04, subdivision 2a, is amended to read:

Subd. 2a. **When prepared.** Where there is potential for significant environmental effects resulting from any major governmental action, the action shall be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. A responsible governmental unit may contract for the preparation of an environmental impact statement. The environmental impact statement shall be an analytical rather than an encyclopedic document which describes the proposed action in detail, analyzes its significant environmental
impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. The environmental impact statement shall also analyze those economic, employment and sociological effects that cannot be avoided should the action be implemented. To ensure its use in the decision-making process, the environmental impact statement shall be prepared as rapidly and early as practical in the formulation of an action. No mandatory environmental impact statement may be required for an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), that produces less than 125,000,000 gallons of ethanol annually and is located outside of the seven-county metropolitan area.

(a) The board shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets shall be prepared as well as categories of actions for which no environmental review is required under this section.

(b) The responsible governmental unit shall promptly publish notice of the completion of an environmental assessment worksheet in a manner to be determined by the board and shall provide copies of the environmental assessment worksheet to the board and its member agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30 day period following publication of the notice that an environmental assessment worksheet has been completed. The responsible governmental unit's decision on the need for an environmental impact statement shall be based on the environmental assessment worksheet and the comments received during the comment period, and shall be made within 15 days after the close of the comment period. The board's chair may extend the 15 day period by not more than 15 additional days upon the request of the responsible governmental unit.

(c) An environmental assessment worksheet shall also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 25 individuals, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions requesting the preparation of an environmental assessment worksheet shall be submitted to the board. The chair of the board shall determine the appropriate responsible governmental unit and forward the petition to it. A decision on the need for an environmental assessment worksheet shall be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The board's chair may extend the 15 day period by not more than 15 additional days upon request of the responsible governmental unit.

(d) Except in an environmentally sensitive location where Minnesota Rules, part 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental review under this chapter and rules of the board, if:

(1) the proposed action is:

   (i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

   (ii) an expansion of an existing animal feedlot facility with a total cumulative capacity of less than 1,000 animal units;

(2) the application for the animal feedlot facility includes a written commitment by the proposer to design, construct, and operate the facility in full compliance with Pollution Control Agency feedlot rules; and

(3) the county board holds a public meeting for citizen input at least ten business days prior to the Pollution Control Agency or county issuing a feedlot permit for the animal feedlot facility unless another public meeting for citizen input has been held with regard to the feedlot facility to be permitted. The exemption in this paragraph is in addition to other exemptions provided under other law and rules of the board.
(e) (d) The board may, prior to final approval of a proposed project, require preparation of an environmental assessment worksheet by a responsible governmental unit selected by the board for any action where environmental review under this section has not been specifically provided for by rule or otherwise initiated.

(f) (e) An early and open expedited process shall be utilized to limit the scope of the environmental impact statement to a discussion of those impacts, which, because of the nature or location of the project, have the potential for significant environmental effects. The same process shall be utilized to determine the form, content and level of detail of the statement as well as the alternatives which are appropriate for consideration in the statement. In addition, the permits which will be required for the proposed action shall be identified during the scoping process. Further, the process shall identify those permits for which information will be developed concurrently with the environmental impact statement. The board shall provide in its rules for the expeditious completion of the scoping process. The determinations reached in the process shall be incorporated into the order requiring the preparation of an environmental impact statement.

(g) (f) The responsible government unit shall, to the extent practicable, avoid duplication and ensure coordination between state and federal environmental review and between environmental review and environmental permitting. Whenever practical, information needed by a governmental unit for making final decisions on permits or other actions required for a proposed project shall be developed in conjunction with the preparation of an environmental impact statement.

(h) (g) An environmental impact statement shall be prepared and its adequacy determined within 280 days after notice of its preparation, unless the time is extended by consent of the parties or by the governor for good cause. The responsible governmental unit shall determine the adequacy of an environmental impact statement, unless within 60 days after notice is published that an environmental impact statement will be prepared, the board chooses to determine the adequacy of an environmental impact statement. If an environmental impact statement is found to be inadequate, the responsible governmental unit shall have 45 days to prepare an adequate environmental impact statement. If the responsible governmental unit fails to act within the time required under this paragraph, the environmental impact statement is deemed adequate, unless a written contract of exception has been agreed to by the project proposer.

(h) The total time allowed for public comments during an environmental assessment worksheet or environmental impact statement process shall be 30 days.

Sec. 66. Minnesota Statutes 2008, section 116D.04, subdivision 3a, is amended to read:

Subd. 3a. Final decisions. Within 60 days after final approval of an environmental impact statement, final decisions shall be made by the appropriate governmental units on those permits which were identified as required and for which information was developed concurrently with the preparation of the environmental impact statement. Provided, however, that the 60-day period may be extended where a longer period is required by federal law or state statute or is consented to by the permit applicant. The permit decision shall include the reasons for the decision, including any conditions under which the permit is issued, together with a final order granting or denying the permit.

Sec. 67. Minnesota Statutes 2008, section 116D.04, subdivision 11, is amended to read:

Subd. 11. Failure to act. If the board or governmental unit which is required to act within a time period specified in this section fails to so act, any person may seek an order of the district court requiring the board or governmental unit to immediately take the action mandated by subdivisions 2a and 3a. The permit or other government action necessary is deemed approved and the project proposer may proceed with the project.
Sec. 68. Minnesota Statutes 2008, section 116D.04, subdivision 13, is amended to read:

Subd. 13. Enforcement. This section may be enforced by injunction, action to compel performance, or other appropriate action in the district court of the county where the violation takes place. Upon the request of the board or the chair of the board, the attorney general may bring an action under this subdivision."

Page 43, after line 4, insert:

"Sec. 71. Minnesota Statutes 2008, section 116D.04, is amended by adding a subdivision to read:

Subd. 15. Rules. The board shall, by June 30, 2011, amend rules to conform to the changes to this section. The rules adopted under this section are not subject to the rulemaking procedures of chapter 14 and section 14.386 does not apply. Subsequent rulemaking authority under this section must be explicitly authorized by the legislature."

Page 49, delete section 78 and insert:

"Sec. 84. REPEALER.

(a) Minnesota Statutes 2008, sections 90.172; 103G.295; 103G.650; and 116D.04, subdivisions 4a, 5a, 9, and 10, are repealed.

(b) Minnesota Statutes 2009 Supplement, section 88.795, is repealed."

Reenumerate 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 Urdahl amendment and the roll was called. There were 53 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Demmer  Garofalo  Kelly  McNamara  Seifert
Anderson, P.  Dettmer  Gottwalt  Kiffmeyer  Murdock  Severson
Anderson, S.  Doepke  Gunther  Koenen  Nornes  Shimanski
Bard  Doty  Hackbarth  Kohls  Olin  Smith
Brod  Downey  Hamilton  Lanning  Otrema  Torkelson
Brown  Drazkowski  Holberg  Loon  Peppin  Urdahl
Buesgens  Eastlund  Hoppe  Mack  Rukavina  Westrom
Cornish  Eken  Howes  Magnus  Sanders  Zellers
Dean  Faust  Juhnke  McFarlane  Scott

Those who voted in the negative were:

Anzelc  Bly  Champion  Falk  Hansen  Hilstrom
Atkins  Brynaert  Clark  Fritz  Hausman  Hilty
Benson  Bunn  Davnie  Gardner  Haws  Hornstein
Bigham  Carlson  Dittrich  Greiling  Hayden  Hortman
The motion did not prevail and the amendment was not adopted.

Westrom and Gardner moved to amend S. F. No. 3275, the unofficial engrossment, as amended, as follows:

Page 48, delete section 75
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 and Gardner amendment and the roll was called. There were 53 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abeler
Anderson, B.
Anderson, P.
Anderson, S.
Beard
Brod
Buesgens
Bunn
Cornish

those who voted in the negative were:

Anzelc
Atkins
Benson
Bigham
Bly
Brown
Brynaert
Carlson
Champion
Clark
Davnie
Doty
Eken

The motion did not prevail and the amendment was not adopted.
Anderson, P.; Urdahl; Hamilton; Magnus; Torkelson and Gunther moved to amend S. F. No. 3275, the unofficial engrossment, as amended, as follows:

Page 48, after line 25, insert:

"Sec. 75. ENVIRONMENT AND NATURAL RESOURCES ORGANIZATION ADVISORY COMMITTEE.

Subdivision 1. Membership. (a) The Environment and Natural Resources Organization Advisory Committee of 26 members is created to advise the legislature and governor on an organization for state agencies and local governments to administer environment and natural resource policies. The advisory committee shall consist of:

(1) four public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

(2) two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration;

(3) four public members appointed by the speaker of the house;

(4) two members of the house of representatives appointed by the speaker of the house;

(5) six public members appointed by the governor; and

(6) one member representing each of the following organizations selected by the organization:

(i) Minnesota Farmers Union;

(ii) Minnesota Farm Bureau Federation;

(iii) Minnesota Agri-Growth Council;

(iv) Minnesota Milk Producers Association;

(v) Minnesota Corn Growers Association;

(vi) Minnesota Soybean Growers Association;

(vii) Minnesota Cattlemen's Association; and

(viii) Minnesota Pork Producers.

The appointing authorities shall consider geographic balance in making the appointments. The senate appointments must include a representative of city government. The house of representatives appointments must include a representative from county government. At least one member of the house of representatives and the senate must be from the minority caucus. The governor's appointments must include one representing soil and water conservation districts, one representing watershed districts, and one representing tribal governments. All appointments to the advisory committee shall have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's environment and natural resources and have strong knowledge in the state's environment and natural resource issues around the state. All appointments shall be made by August 15, 2010."
(b) Public members of the advisory committee and task forces of the advisory committee are entitled to reimbursement for per diem expenses, plus travel expenses incurred in the services of the advisory committee, as provided in Minnesota Statutes, section 15.059.

(c) Members shall elect a chair. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this section. Meetings of the advisory committee shall be held in all regions of the state.

(d) The Department of Finance shall provide for administrative services to the advisory committee. The commissioner of finance shall call the first organizational meeting of the advisory committee by September 1, 2010.

Subd. 2. Duties. The advisory committee shall recommend a structure to provide an efficient and effective organization for state agencies and local governments to administer environment and natural resource policies. In making its recommendations, the advisory committee shall consider structures of organization that will provide for the protection, conservation, preservation, and enhancement of the state’s environment and natural resources and will accomplish:

(1) a reduction in redundant personnel;

(2) accountability to the public;

(3) consolidation of project-permitting functions;

(4) professionalism in the provision of services;

(5) reduced political influence in the process;

(6) enhancing public participation and interaction with the public;

(7) alignment of services to meet current and expected future needs;

(8) utilization of new technology; and

(9) a reduction in overall personnel needed that will be accomplished.

Subd. 3. Public meetings. Meetings of the advisory committee and task forces of the advisory committee must be open to the public. For purposes of this subdivision, a meeting occurs when a quorum is present and action is taken regarding a matter within the jurisdiction of the advisory committee and task forces of the advisory committee. Enforcement of this subdivision is governed by Minnesota Statutes, section 13D.06, subdivisions 1 and 2.

Subd. 4. Intergovernmental task force. By October 15, 2010, the advisory committee shall establish a task force to assist in coordinating state and local environmental and natural resource programs and requirements. The membership of the task force must include equal and broad representation of state and local government units. By June 15, 2011, the task force shall provide a report to the advisory committee on recommendations for coordinating, streamlining, and consolidating state and local programs, requirements, and functions relating to natural resources and the environment.

Subd. 5. Employee participation task force. By October 15, 2010, the advisory committee shall establish a task force to identify employer and employee issues that will need to be considered in a reorganization of state agencies responsible for administering environment and natural resource policies. The task force must include representatives from both management and nonmanagement personnel from each agency affected under sections 2 to 4. By June 15, 2011, the task force shall provide a report to the advisory committee on employee issues to consider in reorganizing state environment and natural resource agencies.
Subd. 6. Advisory committee report. The advisory committee shall prepare a report on its recommendations for an efficient and effective organization for state agencies and local governments to administer environment and natural resource policies. By August 15, 2011, the report must be submitted to the governor and to the house of representatives and senate environment, natural resources, and agricultural policy and finance committees and divisions.

Subd. 7. Sunset. The advisory committee and all task forces expire on September 1, 2011.

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

Sec. 76. CONSIDERATION OF AGENCIES.

The Department of Natural Resources, the Board of Water and Soil Resources, and the Pollution Control Agency shall be considered by the advisory committee established under section 1.

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

Sec. 77. POWERS AND DUTIES FROM OTHER AGENCIES.

Subdivision 1. Department of Agriculture. The following powers and duties of the Department of Agriculture shall be considered by the advisory committee established under section 1:

(1) regulation of fertilizers, soil amendments, agricultural liming, and plant amendments under Minnesota Statutes, chapter 18C;

(2) pesticide control under Minnesota Statutes, chapter 18B;

(3) agriculture chemical incident response and cleanup under Minnesota Statutes, chapter 18D;

(4) chemical incident reimbursement under Minnesota Statutes, chapter 18E;

(5) genetically engineered organisms under Minnesota Statutes, chapter 18F;

(6) urban forest promotion under Minnesota Statutes, section 17.86;

(7) groundwater protection under Minnesota Statutes, chapter 103H; and

(8) oil and hazardous substance discharge preparedness under Minnesota Statutes, chapter 115E.

Subd. 2. Department of Health. The following powers and duties of the Department of Health shall be considered by the advisory committee established under section 1:

(1) water well program under Minnesota Statutes, chapter 103I;

(2) safe drinking water program under Minnesota Statutes, sections 144.381 to 144.387;

(3) health risk assessment under Minnesota Statutes, section 115B.17, subdivision 10;

(4) domestic water supply protection under Minnesota Statutes, sections 144.35 to 144.37;

(5) asbestos contractor licensing under Minnesota Statutes, sections 326.70 to 326.81;
(6) public health laboratory regulation under Minnesota Statutes, sections 144.97 to 144.98;

(7) lead poisoning prevention under Minnesota Statutes, sections 144.9501 to 144.9512;

(8) hazardous substance exposure under Minnesota Statutes, section 145.94;

(9) mosquito research under Minnesota Statutes, section 144.95;

(10) environmental health tracking under Minnesota Statutes, sections 144.995 to 144.998;

(11) water supply monitoring and health assessments under Minnesota Statutes, section 116.155; and

(12) health risk limits under Minnesota Statutes, section 103H.201.

Subd. 3. Department of Commerce. The following powers and duties of the Department of Commerce shall be considered by the advisory committee established under section 1: energy planning and conservation under Minnesota Statutes, chapter 216C.

Subd. 4. Department of Transportation. The following powers and duties of the Department of Transportation shall be considered by the advisory committee established under section 1: oil and hazardous substance discharge preparedness under Minnesota Statutes, chapter 115E.

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

Sec. 78. CONSIDERATION OF BOARDS.

The Environmental Quality Board, the Harmful Substances Compensation Board, the Petroleum Tank Release Compensation Board, and the Agricultural Chemical Response Compensation Board shall be considered by the advisory committee established under section 1.

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

Page 49, after line 20, insert:

"(d) Up to $255,000 in fiscal year 2011 is appropriated for agency staff time and expenses from the forest nursery account for the purposes of sections 75 to 78. This is a onetime appropriation."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Kiffmeyer, Kohls, Gottwalt, Severson, Zellers, Eastlund and Dean moved to amend S.F. No. 3275, the unofficial engrossment, as amended, as follows:

Page 43, delete section 67
Page 44, delete section 68

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

**MOTION TO LAY ON THE TABLE**

Drazkowski moved that S. F. No. 3275, as amended, be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Drazkowski motion and the roll was called. There were 31 yeas and 94 nays as follows:

Those who voted in the affirmative were:

<table>
<thead>
<tr>
<th>Anderson, B.</th>
<th>Downey</th>
<th>Hackbarth</th>
<th>Kohls</th>
<th>Sanders</th>
<th>Westrom</th>
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<tbody>
<tr>
<td>Brod</td>
<td>Drazkowski</td>
<td>Hamilton</td>
<td>Loon</td>
<td>Scott</td>
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<td>Buesgens</td>
<td>Eastlund</td>
<td>Holberg</td>
<td>Mack</td>
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<td>Dean</td>
<td>Garofalo</td>
<td>Hoppe</td>
<td>Magnus</td>
<td>Severson</td>
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<td>Demmer</td>
<td>Gottwald</td>
<td>Kelly</td>
<td>Nornes</td>
<td>Shimanski</td>
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<tr>
<td>Dettmer</td>
<td>Gunther</td>
<td>Kiffmeyer</td>
<td>Peppin</td>
<td></td>
<td>Torkelson</td>
</tr>
</tbody>
</table>

Those who voted in the negative were:

<table>
<thead>
<tr>
<th>Anderson, S.</th>
<th>Doty</th>
<th>Howes</th>
<th>Loeffler</th>
<th>Obermueller</th>
<th>Slawik</th>
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<td>Anzelc</td>
<td>Eken</td>
<td>Huntley</td>
<td>Mahoney</td>
<td>Olin</td>
<td>Slocum</td>
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<td>Atkins</td>
<td>Falk</td>
<td>Jackson</td>
<td>Mariani</td>
<td>Otremba</td>
<td>Smith</td>
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<td>Benson</td>
<td>Faust</td>
<td>Johnson</td>
<td>Marquart</td>
<td>Paymar</td>
<td>Solberg</td>
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<td>Bigham</td>
<td>Fritz</td>
<td>Juhnke</td>
<td>Masin</td>
<td>Pelowski</td>
<td>Sterner</td>
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<td>Bly</td>
<td>Gardner</td>
<td>Kahn</td>
<td>McFarlane</td>
<td>Persell</td>
<td>Swails</td>
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<td>Brown</td>
<td>Greiling</td>
<td>Kalin</td>
<td>McNamara</td>
<td>Peterson</td>
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<td>Brynaert</td>
<td>Hansen</td>
<td>Kath</td>
<td>Morgan</td>
<td>Poppe</td>
<td>Tillberry</td>
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<td>Bunn</td>
<td>Hausman</td>
<td>Knuth</td>
<td>Morrow</td>
<td>Reinert</td>
<td>Wagenius</td>
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<td>Carlson</td>
<td>Haws</td>
<td>Koenen</td>
<td>Mullery</td>
<td>Rosenthal</td>
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<td>Champion</td>
<td>Hayden</td>
<td>Laine</td>
<td>Murdock</td>
<td>Rukavina</td>
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<td>Clark</td>
<td>Hilstrom</td>
<td>Lenczewski</td>
<td>Murphy, E.</td>
<td>Ruud</td>
<td>Winkler</td>
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<tr>
<td>Cornish</td>
<td>Hilty</td>
<td>Lesch</td>
<td>Murphy, M.</td>
<td>Sailer</td>
<td>Zellers</td>
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<td>Davnie</td>
<td>Hornstein</td>
<td>Liebling</td>
<td>Nelson</td>
<td>Scalze</td>
<td>Spk. Kelliher</td>
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<td>Dittrich</td>
<td>Hortman</td>
<td>Lieder</td>
<td>Newton</td>
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<tr>
<td>Doepke</td>
<td>Hosch</td>
<td>Lillie</td>
<td>Norton</td>
<td>Simon</td>
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The motion did not prevail.
The question recurred on the Kiffmeyer et al amendment and the roll was called. There were 50 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Doepke  Gunther  Loon  Peppin  Torkelson
Anderson, P.  Doty  Hackathorn  Mack  Peterson  Urdahl
Anderson, S.  Downey  Hamilton  Magnus  Sanders  Welti
Beard  Drazkowski  Holberg  McFarlane  Scott  Westrom
Brod  Eastlund  Kahl  McNamara  Seifert  Zellers
Buesgens  Faust  Kelly  Murdock  Severson
Dean  Fritz  Kiffmeyer  Nornes  Shimanski
Demmer  Garofalo  Kohls  Obermueller  Smith
Dettmer  Gottwald  Lanning  Olin  Sterner

Those who voted in the negative were:

Abeler  Dittrich  Hosch  Lieder  Norton  Slocum
Anzelc  Eken  Howes  Lillie  Otremba  Solberg
Atkins  Falk  Huntley  Loeffler  Pelowski  Swails
Benson  Gardner  Jackson  Mahoney  Persell  Thao
Bigham  Greiling  Johnson  Mariani  Poppe  Tillberry
Bly  Hansen  Juhnke  Marquart  Reinhart  Wagenius
Brown  Hausman  Kahn  Masin  Rosenthal  Ward
Brynaert  Haws  Kalin  Morgan  Rukavina  Winkler
Bunn  Hayden  Knuth  Morrow  Ruud  Spk. Kelliher
Carlson  Hilstrom  Koenen  Mullery  Sailer
Champion  Hilty  Laine  Murphy, E.  Scalze
Clark  Hoppe  Lenczowski  Murphy, M.  Sertich
Cornish  Hornstein  Lesch  Nelson  Simon
Davnie  Hortman  Liebling  Newton  Slawik

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

Hamilton and Brod offered an amendment to S. F. No. 3275, the unofficial engrossment, as amended.

POINT OF ORDER

Sertich raised a point of order pursuant to rule 3.21 that the Hamilton and Brod amendment was not in order. Speaker pro tempore Pelowski ruled the point of order well taken and the Hamilton and Brod amendment out of order.

Hamilton appealed the decision of Speaker pro tempore Pelowski.

A roll call was requested and properly seconded.
The vote was taken on the question "Shall the decision of Speaker pro tempore Pelowski stand as the judgment of the House?" and the roll was called. There were 85 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Abeler  Falk  Huntley  Mahoney  Paymar  Solberg
Anzelc  Faust  Jackson  Mariani  Pelowski  Sterner
Atkins  Fritz  Johnson  Marquart  Persell  Swails
Benson  Gardner  Juhnke  Masin  Peterson  Thao
Bigham  Greiling  Kahn  Morgan  Poppe  Tillberry
Bly  Hansen  Kalin  Morrow  Reinert  Wagenius
Brown  Hausman  Kath  Mullery  Rosenthal  Ward
Brynaert  Haws  Knuth  Murphy, E.  Rukavina  Welti
Carlson  Hayden  Koenen  Murphy, M.  Raud  Winkler
Champion  Hilstrom  Laine  Nelson  Sailer  Spk. Kelliher
Clark  Hilty  Lesch  Newton  Scalze 
Davnie  Hornstein  Liebling  Norton  Sertich  
Dittrich  Hortman  Lieder  Obermueller  Simon 
Doty  Hosch  Lillie  Olin  Slawik  
Eken  Howes  Loeffler  Otrema  Slocum  

Those who voted in the negative were:

Anderson, B.  Dean  Gottwalt  Kohls  Murdock  Smith
Anderson, P.  Demmer  Gunther  Lanning  Nornes  Torkelson
Anderson, S.  Dettmer  Hack Barth  Lenzewski  Peppin  Udahl
Beard  Doepke  Hamilton  Loon  Sanders  Westrom
Brod  Downey  Holberg  Mack  Scott  Zellers
Buesgens  Drazkowski  Hoppe  Magnus  Seifert  
Bunn  Eastlund  Kelly  McFarlane  Severson  
Cornish  Garofalo  Kiffmeyer  McNamara  Shimanski  

So it was the judgment of the House that the decision of Speaker pro tempore Pelowski should stand.

S. F. No. 3275, A bill for an act relating to state government; appropriating money from constitutionally dedicated funds; modifying appropriation to prevent water pollution from polycyclic aromatic hydrocarbons; modifying certain administrative accounts; modifying electronic transaction provisions; providing for certain registration exemptions; modifying all-terrain vehicle definitions; modifying all-terrain vehicle operation restrictions; modifying state trails and canoe and boating routes; modifying fees and disposition of certain receipts; modifying certain competitive bidding exemptions; modifying horse trail pass provisions; modifying beaver dam provisions; modifying the Water Law; modifying nongame wildlife checkoffs; establishing an Environment and Natural Resources Organization Advisory Committee to advise legislature and governor on new structure for administration of environment and natural resource policies; requiring an advisory committee to consider all powers and duties of Pollution Control Agency, Department of Natural Resources, Environmental Quality Board, Board of Water and Soil Resources, Petroleum Tank Release Compensation Board, Harmful Substances Compensation Board, and Agricultural Chemical Response Compensation Board and certain powers and duties of Departments of Agriculture, Health, Transportation, and Commerce; modifying method of determining value of acquired stream easements; providing for certain historic property exemption; modifying state forest acquisition provisions; modifying certain requirements for land sales; adding to and deleting from state parks and state forests; authorizing public and private sales, conveyances, and exchanges of certain state land; amending the definition of "green economy" to include the concept of "green chemistry;" clarifying that an appropriation is to the commissioner of commerce; establishing a program to provide rebates for solar photovoltaic modules; providing for community
energy planning; modifying Legislative Energy Commission and Public Utilities Commission provisions; eliminating a legislative guide; appropriating money; amending Minnesota Statutes 2008, sections 3.8851, subdivision 7; 84.025, subdivision 9; 84.027, subdivision 15; 84.0272, subdivision 2; 84.0856; 84.0857; 84.777, subdivision 2; 84.82, subdivision 3, by adding a subdivision; 84.92, subdivisions 9, 10; 84.922, subdivision 5, by adding a subdivision; 84.925, subdivision 1; 84.9256, subdivision 1; 84.928, subdivision 5; 85.012, subdivision 40; 85.015, subdivision 14; 85.22, subdivision 5; 85.32, subdivision 1; 85.41, subdivision 3; 85.42; 85.43; 85.46, as amended; 85.012, subdivision 40; 85.015, subdivision 14; 85.22, subdivision 5; 85.32, subdivision 1; 85.41, subdivision 3; 85.42; 85.43; 85.46, as amended; 88.17, subdivisions 1, 3; 88.79, subdivision 2; 89.032, subdivision 2; 89.033, by adding a subdivision; 90.121; 90.14; 97B.665, subdivision 2; 103A.305; 103G.271, subdivision 3; 103G.285, subdivision 5; 103G.301, subdivision 6; 103G.305, subdivision 2; 103G.315, subdivision 11; 103G.515, subdivision 5; 103G.615, subdivision 2; 115A.02; 115A.07, subdivisions 4, 4h; 116J.437, subdivision 1; 216B.62, by adding a subdivision; 290.431; 290.432; 473.1565, subdivision 2; Minnesota Statutes 2009 Supplement, sections 84.415, subdivision 6; 84.793, subdivision 1; 84.9275, subdivision 1; 84.928, subdivision 1; 85.015, subdivision 13; 86A.09, subdivision 1; 103G.201; Laws 2008, chapter 368, article 1, section 34, as amended; Laws 2009, chapter 37, article 2, section 13; Laws 2009, chapter 176, article 4, section 9; Laws 2010, chapter 215, article 3, section 4, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 85; 103G; 116C; repealing Minnesota Statutes 2008, sections 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 90.172; 97B.665, subdivision 1; 103G.295; 103G.650; Minnesota Statutes 2009 Supplement, sections 3.3006; 84.02, subdivisions 4a, 6a, 6b; Laws 2009, chapter 172, article 5, section 8.

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 92 yeas and 38 nays as follows:

Those who voted in the affirmative were:

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<td>Liebling</td>
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Those who voted in the negative were:

| Anderson, B. | Demmer | Gottwald | Loon | Peppin | Udahl |
| Anderson, P. | Dettmer | Gunther | Mack | Sanders | Westrom |
| Anderson, S. | Doepke | Hackbarth | Magnus | Scott | Zellers |
| Beard | Downey | Hamilton | McFarlane | Seifert | |
| Brod | Drazkowski | Holberg | McNamara | Severson | |
| Buesgens | Eastlund | Kiffmeyer | Murdock | Shimanski | |
| Dean | Garofalo | Kohls | Nornes | Torkelson | |

The bill was passed, as amended, and its title agreed to.
CALENDAR FOR THE DAY

Sertich moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

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 that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2614. A bill for an act relating to state government; licensing; state health care programs; continuing care; children and family services; health reform; Department of Health; public health; health plans; assessing administrative penalties; modifying foreign operating corporation taxes; requiring reports; making supplemental and contingent appropriations and reductions for the Departments of Health and Human Services and other health-related boards and councils; amending Minnesota Statutes 2008, sections 62D.08, by adding a subdivision; 62J.07, subdivision 2, by adding a subdivision; 62J.38; 62J.692, subdivision 4; 62Q.19, subdivision 1; 62Q.76, subdivision 1; 62U.05; 119B.025, subdivision 1; 119B.09, subdivision 4; 119B.11, subdivision 1; 144.05, by adding a subdivision; 144.226, subdivision 3; 144.291, subdivision 2; 144.293, subdivision 4, by adding a subdivision; 144.651, subdivision 2; 144.9504, by adding a subdivision; 144A.51, subdivision 5; 144E.37; 214.40, subdivision 7; 245C.27, subdivision 2; 245C.28, subdivision 3; 246B.04, subdivision 2; 254B.01, subdivision 2; 254B.02, subdivisions 1, 5; 254B.03, subdivision 4, by adding a subdivision; 254B.05, subdivision 4; 254B.06, subdivision 2; 254B.09, subdivision 8; 256.01, by adding a subdivision; 256.0657, subdivision 3; 256B.04, subdivision 14; 256B.055, by adding a subdivision; 256B.056, subdivisions 3, 4; 256B.057, subdivision 9; 256B.0625, subdivisions 8, 8a, 8b, 18a, 22, 31, by adding subdivisions; 256B.0631, subdivisions 1, 3; 256B.0644, as amended; 256B.0754, by adding a subdivision; 256B.0915, subdivision 3b; 256B.19, subdivision 1c; 256B.441, by adding a subdivision; 256B.5012, by adding a subdivision; 256B.69, subdivisions 20, as amended, 27, by adding subdivisions; 256B.692, subdivision 1; 256B.75; 256B.76, subdivisions 2, 4, by adding a subdivision; 256D.03, subdivision 3b; 256D.0515; 256D.425, subdivision 2; 256L.05, by adding a subdivision; 256L.20, subdivision 3; 256L.24, subdivision 10; 256L.37, subdivision 3a; 256L.39, by adding subdivisions; 256L.02, subdivision 3; 256L.03, subdivision 3, by adding a subdivision; 256L.04, subdivision 7; 256L.05, by adding a subdivision; 256L.07, subdivision 1; 290.01, subdivision 5, by adding a subdivision; 290.17, subdivision 4; 326B.43, subdivision 2; 626.556, subdivision 10i; 626.557, subdivision 9d; Minnesota Statutes 2009 Supplement, sections 62J.495, subdivisions 1a, 3, by adding a subdivision; 157.16, subdivision 3; 245A.11, subdivision 7b; 245C.27, subdivision 1; 246B.05, subdivision 6; 252.025, subdivision 7; 252.27, subdivision 2a; 256.045, subdivision 3; 256.969, subdivision 3a; 256B.056, subdivision 3c; 256B.0625, subdivisions 9, 13e; 256B.0653, subdivision 5; 256B.0911, subdivision 1a; 256B.0915, subdivision 3a; 256B.69, subdivisions 5a, 23; 256B.76, subdivision 1; 256B.766; 256D.03, subdivision 3, as amended; 256D.44, subdivision 5; 256J.425, subdivision 3; 256L.03, subdivision 5; 256L.11, subdivision 1; 289A.08, subdivision 3; 290.01, subdivisions 19c, 19d; 327.15, subdivision 3; Laws 2005, First Special Session chapter 4, article 8, section 66, as amended; Laws 2009, chapter 79, article 3, section 18; article 5, sections 17; 18; 22; 75, subdivision 1; 78, subdivision 5; article 8, sections 2; 51; 81; article 13, sections 3, subdivisions 1, as amended, 3, as amended, 4, as amended, 8, as amended;
The Senate has appointed as such committee:

Senators Berglin, Prettner Solon, Sheran, Lourey and Dille.

Said House File is herewith returned to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Olson, M.; Dibble and Limmer.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Loeffler moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 271. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1905, A bill for an act relating to insurance; establishing a small group market working group; requiring a report.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Scheid, Sparks and Koch.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate
Loeffler moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1905. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2505, A bill for an act relating to child care; appropriating money to provide statewide child care provider training, coaching, consultation, and supports to prepare for the voluntary Minnesota quality rating system.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Bonoff, Michel and Saxhaug.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Slawik moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2505. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2510, A bill for an act relating to economic development; amending the definition of green economy to include the concept of green chemistry; creating a fast-action economic response team; expanding the Minnesota investment fund; removing a grant program restriction; expanding loan program to veteran-owned small businesses; creating the Minnesota Science and Technology Authority; providing for a comparative study of state laws affecting small business start-ups; modifying certain unemployment insurance administrative, benefit, and tax provisions; protecting customers from injuries resulting from use of inflatable play equipment; modifying labor and industry licensing and certain license fee provisions; modifying enforcement requirements of the State Building Code; modifying the requirements of the Manufactured Home Building Code; allowing expedited rulemaking; providing for licensing and regulation of individuals engaged in mortgage loan origination or mortgage loan business; providing for licensing and regulation of appraisal management companies; providing for property acquisition from petroleum tank fund proceeds; clarifying requirements for granting additional cable franchises; regulating cadmium in children's jewelry; regulating the sale and termination of portable electronics insurance; authorizing amendments to a municipal comprehensive plan for affordable housing; amending Iron Range resources provisions; requiring certain reports; appropriating money; amending Minnesota Statutes 2008, sections 58.04, subdivision 1; 58.08, by adding a subdivision; 58.09; 58.10, subdivision 1; 58.11; 60K.36, subdivision 2; 60K.38, subdivision 1; 82B.05, subdivision 5, by adding a subdivision; 82B.06; 115C.08, subdivision 1; 116J.437, subdivision 1; 116J.8731, subdivisions 1, 4; 116J.996; 181.723, subdivision 5; 238.08, subdivision 1; 268.035, subdivision 20; 268.046, subdivision 1; 268.051, subdivisions 2, 5, 7; 268.07, as amended; 268.085, subdivision 9; 326B.106, subdivision 9; 326B.133, subdivisions 1, 3, 8, 11, by adding subdivisions; 326B.16; 326B.197; 326B.33, subdivisions 18, 20, 21; 326B.42, by adding subdivisions; 326B.44; 326B.46, as amended; 326B.47; 326B.475, subdivision 2; 326B.50, by
adding subdivisions; 326B.54; 326B.55, as amended if enacted; 326B.56, as amended; 326B.805, subdivision 6; 326B.83, subdivisions 1, 3, 6; 326B.865; 326B.921, subdivisions 2, 4, 7; 326B.922; 326B.978, subdivision 2, by adding a subdivision; 327.31, subdivision 17, by adding subdivisions; 327.32, subdivision 1, by adding subdivisions; 327B.04, subdivision 2; 462.355, subdivision 3; Minnesota Statutes 2009 Supplement, sections 58.06, subdivision 2; 60K.55, subdivision 2; 82B.05, subdivision 1; 115C.08, subdivision 4; 116J.8731, subdivision 3; 116L.20, subdivision 1; 268.035, subdivision 19a; 268.052, subdivision 2; 268.053, subdivision 1; 268.085, subdivision 1; 268.136, subdivision 1; 326B.33, subdivision 19; 326B.475, subdivision 4; 326B.49, subdivision 1; 326B.58; 326B.815, subdivision 1; 326B.86, subdivision 1; 326B.94, subdivision 4; 326B.986, subdivision 5; 327B.04, subdivisions 7, 7a, 8; 327B.041; Laws 2009, chapter 78, article 1, section 3, subdivision 2; Laws 2010, chapter 216, section 58; proposing coding for new law in Minnesota Statutes, chapters 60K; 116J; 184B; 325E; 326B; proposing coding for new law as Minnesota Statutes, chapters 58A; 82C; 116W; repealing Minnesota Statutes 2008, sections 116J.657; 326B.133, subdivisions 9, 10; 326B.37, subdivision 13; 326B.475, subdivisions 5, 6; 326B.56, subdivision 3; 326B.885, subdivisions 3, 4; 326B.976; 327.31, subdivision 17; 327C.07, subdivisions 3, 3a, 8; Minnesota Statutes 2009 Supplement, sections 58.126; 326B.56, subdivision 4; Laws 2010, chapter 215, article 9, section 3; Minnesota Rules, parts 1301.0500; 1301.0900; 1301.1100, subparts 2, 3, 4; 1350.7200, subpart 3; 1350.8000, subpart 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Tomassoni, Sparks, Saltzman, Kelash and Sieben.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Obermueller moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2510. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2540, A bill for an act relating to transportation; modifying or adding provisions relating to truck insurance, school bus transportation, transportation construction impacts on business, rest areas, highways, bridges, transportation contracts, variances from rules and engineering standards for local streets and highways, the state park road account, tax-exempt vehicles, license plates, deputy registrars, vehicles and drivers, impounds, towing, pedestrians, intersection gridlock, bus and type III vehicle operation, various traffic regulations, cargo tank vehicle weight exemptions, drivers' licenses, transportation department goals and mission, the Disadvantaged Business Enterprise Collaborative, a Minnesota Council of Transportation Access, complete streets, a Commuter Rail Corridor Coordinating Committee, railroad track safety, motor carriers, allocation of traffic fines, airport authorities, property acquisition for highways, transit, town road interest extinguishment nullification, Northstar commuter rail, and roundabouts design; providing for State Patrol tax compliance and vehicle crimes investigations; providing for issuance and sale of trunk highway bonds; requiring reports; making technical and clarifying changes; appropriating money; amending Minnesota Statutes 2008, sections 65B.43, subdivision 2; 161.14, by adding subdivisions; 161.3426, subdivision 3, by adding a subdivision; 162.02, subdivision 3a; 162.09, subdivision 3a; 165.14, subdivisions 4, 5; 168.12, subdivisions 2a, 2b, by adding a subdivision; 168.123, subdivisions 1, 2; 168.1255, subdivision 1; 168.1291, subdivisions 1, 2; 168.33, subdivision 2; 168B.04, subdivision 2; 168B.06, subdivision 1;
168B.07, subdivision 3; 169.041, subdivision 5; 169.09, subdivision 5a; 169.15; 169.26, by adding a subdivision; 169.306; 169.79, subdivision 3; 169.87, by adding a subdivision; 169.92, subdivision 4; 171.321, subdivision 2; 174.01, subdivisions 1, 2; 174.02, subdivision 1a; 174.86, subdivision 5; 219.01; 221.012, subdivision 38, by adding a subdivision; 221.0252, subdivision 7; 221.036, subdivisions 1, 3; 221.221, subdivision 3; 221.251, subdivision 1; 360.061, subdivision 3; 473.167, subdivision 2a; 473.411, subdivision 5; 514.18, subdivision 1a; Minnesota Statutes 2009 Supplement, sections 123B.92, subdivision 1; 160.165; 161.14, subdivision 62; 162.06, subdivision 5; 168.012, subdivision 1; 168.12, subdivision 5; 169.71, subdivision 1; 169.865, subdivision 1; 171.02, subdivision 2b; 174.66; 221.026, subdivision 2; 221.031, subdivision 1; 221.122, subdivision 1; 299D.03, subdivision 5; Laws 2008, chapter 287, article 1, section 122; Laws 2009, chapter 36, article 1, sections 1; 3, subdivisions 1, 2, 3, 5, subdivisions 1, 3, 4; proposing coding for new law in Minnesota Statutes, chapters 160; 168; 174; 221; 383D; repealing Minnesota Statutes 2008, sections 169.041, subdivisions 3, 4; 221.161, subdivisions 2, 3; 221.291, subdivision 5; Minnesota Statutes 2009 Supplement, sections 221.161, subdivisions 1, 4; 221.171; Minnesota Rules, parts 7805.0300; 7805.0400.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Murphy, Dibble, Jungbauer, Saltzman and Sieben.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Hornstein moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2540. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Sheran, Higgins and Ortman.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Ruud moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2695. The motion prevailed.
Madam Speaker:

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

S. F. Nos. 2496, 2998, 3019, 3029 and 3079.

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:

S. F. No. 915.

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

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 915

A bill for an act relating to insurance; requiring school districts to obtain employee health coverage through the public employees insurance program; appropriating money; amending Minnesota Statutes 2008, sections 43A.316, subdivisions 9, 10, by adding subdivisions; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; 297I.15, subdivision 3.

February 16, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 915 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 915 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 43A.316, is amended by adding a subdivision to read:

Subd. 3a. **Health improvement programs.** The commissioner, with the approval of the school employee insurance committee, is authorized to plan, develop, purchase, administer, and evaluate disease management and other programs, strategies, and incentives to improve the health and health outcomes of members."
Sec. 2. Minnesota Statutes 2008, section 43A.316, subdivision 9, is amended to read:

Subd. 9. **Insurance trust fund.**  (a) The insurance trust fund in the state treasury consists of deposits of the premiums received from employers participating in the program and transfers before July 1, 1994, from the excess contributions holding account established by section 353.65, subdivision 7. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs, including costs incurred under chapters 62E and 297I in connection with the school employee insurance program. Premiums paid by employers to the fund are exempt from the taxes imposed by chapter 297I, except as described in paragraph (b). The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The State Board of Investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

(b) Notwithstanding paragraph (a), premium revenues collected from the school employee insurance program, described in subdivisions 12 and 13, are not exempt from the taxes imposed under section 297I.05, subdivision 15.

Sec. 3. Minnesota Statutes 2008, section 43A.316, subdivision 10, is amended to read:

Subd. 10. **Exemption.** (a) The public employee insurance program and, where applicable, the employers participating in it are exempt from chapters 60A, 62A, 62C, 62D, 62E, and 62H, section 471.617, subdivisions 2 and 3, and the bidding requirements of section 471.6161.

(b) Notwithstanding paragraph (a), the school employee insurance program, described in subdivisions 12 and 13, is a contributing member of the Minnesota Comprehensive Health Association and must pay assessments made by the association on the premium revenue attributed to the school employee insurance program, prorated as provided in section 62E.11, subdivision 5, paragraph (b).

Sec. 4. Minnesota Statutes 2008, section 43A.316, is amended by adding a subdivision to read:

Subd. 11. **Definitions.** (a) For purposes of subdivisions 11 to 16, the terms defined in this subdivision have the meanings given.

(b) "Eligible employee" means an employee of a school employer, a dependent of such an employee, a retiree, or other person, who is eligible for health insurance coverage under the school employer's plan.

(c) "School Employee Insurance Committee" means the committee created in subdivision 14.

(d) "School employer" means a school district as defined in section 120A.05, service cooperative as defined in section 123A.21, intermediate district as defined in section 136D.01, Cooperative Center for Vocational Education as defined in section 123A.22, regional management information center as defined in section 123A.23, or an education unit organized under a joint powers agreement under section 471.59.

Sec. 5. Minnesota Statutes 2008, section 43A.316, is amended by adding a subdivision to read:

Subd. 12. **School employee insurance program.** The commissioner shall develop and administer within the public employees insurance program a separately rated and administered program for eligible employees of school employers, to be called the school employee insurance program. The initial offerings shall be the PEIP Advantage, Advantage Value, and Advantage HSA plans offered by the public employee insurance program. Health coverage offered through the school employee insurance program shall be made available beginning January 1, 2012.
Sec. 6. Minnesota Statutes 2008, section 43A.316, is amended by adding a subdivision to read:

Subd. 13. Enrollment: school employee insurance program. (a) A school employer that provides health coverage to eligible employees or contributes money to pay for all or part of the cost of health coverage for eligible employees, must purchase such coverage through the school employee insurance program under subdivision 12. School employers described in paragraph (b) may opt out as described in paragraphs (b) to (e).

(b) The school board of a school employer and each exclusive representative of employees of a school employer which, on July 1, 2010, was individually self-insured shall jointly determine whether the employees the exclusive representative represents will opt out of the school employee insurance program, in the same manner described in subdivision 5, paragraph (b). Paragraphs (c), (d), and (e) below apply only to school employees of the school employers described in this paragraph.

(c) School employees not represented by an exclusive representative may enter the school employee insurance program in the same manner described in subdivision 5, paragraph (c).

(d) School employees who do not enter the program upon first becoming eligible for participation are ineligible to participate for four years and must be pooled and rated separately from the other enrollees in the school employee insurance program for the first four years after entering the program. This paragraph does not apply to a school employee upon later becoming a member of a school employee group that has not declined participation.

(e) The decision of a school board of a school employer and an exclusive representative of school employees or, in the case of unorganized employees, the decision of the school board of a school employer, to not opt-out of entry into the school employee insurance program is irrevocable and applies to all future years.

Sec. 7. Minnesota Statutes 2008, section 43A.316, is amended by adding a subdivision to read:

Subd. 14. School Employee Insurance Committee. (a) Notwithstanding any other provision of law, all plan design decisions, including all pilot or demonstration programs in which school employees participate, must first be developed by the School Employee Insurance Committee in consultation with the commissioner or the commissioner's designee and other consultants as the committee sees fit. This paragraph does not apply to the initial offerings specified in subdivision 12.

(b) The committee must be composed of 14 members who represent school district employees and employers in equal number. The employee representatives shall be appointed as follows: four shall be appointed by Education Minnesota, one shall be appointed by the Service Employees International Union, one shall be appointed by the American Federation of State, County, and Municipal Employees, and one shall be appointed by the Minnesota School Employees Association. The seven school employer representatives who serve on the School Employee Insurance Committee must be appointed by the Minnesota School Boards Association, and geographic representation must be taken into consideration when making the appointments. Members of the committee shall serve at the will of the appointing organization. The committee will select a chair from its membership.

(c) The School Employee Insurance Committee members are eligible for compensation and expense reimbursement under section 15.0575, subdivision 3. In addition, if actual salary is lost by a committee member, or if a cost is charged by an employer of a committee member for time missed while performing the duties of a committee member, then the commissioner shall reimburse the member for the lost salary or the cost from funds appropriated for the operations of the committee.

(d) The commissioner shall provide the necessary meeting space and staff support for the committee.
Sec. 8. Minnesota Statutes 2008, section 43A.316, is amended by adding a subdivision to read:

**Subd. 15. Reinsurance.** The commissioner shall, on behalf of the program, participate in an insured or self-insured reinsurance pool for the first three years of the program and may continue to participate in a reinsurance pool after the first three years.

Sec. 9. Minnesota Statutes 2008, section 43A.316, is amended by adding a subdivision to read:

**Subd. 16. Nonidentifiable aggregate claims data from past coverage.** Upon request by the commissioner, entities that are providing or have provided coverage to eligible employees of school employers within two years before the effective date of this section, shall provide to the commissioner at no charge nonidentifiable aggregate claims data for that coverage. The information must include data relating to employee group benefit sets, demographics, and claims experience. Notwithstanding section 13.203, Minnesota service cooperatives must comply with this subdivision.

Sec. 10. Minnesota Statutes 2008, section 62E.02, subdivision 23, is amended to read:

**Subd. 23. Contributing member.** "Contributing member" means those companies regulated under chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance; health maintenance organizations regulated under chapter 62D; nonprofit health service plan corporations regulated under chapter 62C; community integrated service networks regulated under chapter 62N; fraternal benefit societies regulated under chapter 64B; the Minnesota employees insurance program established in section 43A.317, effective July 1, 1993; and joint self-insurance plans regulated under chapter 62H; and the school employee insurance program created under section 43A.316. For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization or a community integrated service network, or the school employee insurance program shall be considered to be accident and health insurance premiums.

Sec. 11. Minnesota Statutes 2008, section 62E.10, subdivision 1, is amended to read:

**Subdivision 1. Creation and membership; tax exemption.** (a) There is established a Comprehensive Health Association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers; self-insurers; fraternals; joint self-insurance plans regulated under chapter 62H; the Minnesota employees insurance program established in section 43A.317, effective July 1, 1993; the school employee insurance program created under section 43A.316, subdivision 12; health maintenance organizations; and community integrated service networks licensed or authorized to do business in this state.

(b) The Comprehensive Health Association is exempt from the taxes imposed under chapter 297I and any other laws of this state and all property owned by the association is exempt from taxation.

Sec. 12. Minnesota Statutes 2008, section 62E.11, subdivision 5, is amended to read:

**Subd. 5. Allocation of losses.** (a) Each contributing member of the association shall share the losses due to claims expenses of the comprehensive health insurance plan for plans issued or approved for issuance by the association, and shall share in the operating and administrative expenses incurred or estimated to be incurred by the association incident to the conduct of its affairs. Claims expenses of the state plan which exceed the premium payments allocated to the payment of benefits shall be the liability of the contributing members. Contributing members shall share in the claims expense of the state plan and operating and administrative expenses of the association in an amount equal to the ratio of the contributing member's total accident and health insurance premium, received from or on behalf of Minnesota residents as divided by the total accident and health insurance premium, received by all contributing members from or on behalf of Minnesota residents, as determined by the
commissioner. Payments made by the state to a contributing member for medical assistance, MinnesotaCare, or general assistance medical care services according to chapters 256, 256B, and 256D shall be excluded when determining a contributing member's total premium.

(b) In making the allocation of losses provided in paragraph (a) in each future year, the association's assessment against the school employee insurance program must be based on premiums received by the school employee insurance program in that future year from the school employers that, on May 1, 2010, were receiving health care coverage from a contributing member of the association. The association shall assess the premiums paid in each future year by those employers at the same rate as premiums paid to other members of the association. For purposes of this calculation, premiums of the program used must be net of rate credits and retroactive rate refunds on the same basis as the premiums of other association members.

Sec. 13. Minnesota Statutes 2008, section 297I.05, is amended by adding a subdivision to read:

Subd. 15. School employee insurance program. A tax is imposed on the school employee insurance program created under section 43A.316, subdivision 12. The tax must be assessed upon gross premiums less return premiums received by the school employee insurance program in that calendar year from a school employer that, on May 1, 2010, was purchasing health care coverage from an entity that is required to pay tax under subdivision 1, 3, 4, or 5. The commissioner shall assess the premiums paid in each year to the school employee insurance program by those employers at the same rate as premiums paid by the entities under subdivision 1, 3, 4, or 5 as applicable to the school employer.

Sec. 14. Minnesota Statutes 2008, section 297I.15, subdivision 3, is amended to read:

Subd. 3. Public employees insurance program. Premiums paid to the public employees insurance program under section 43A.316 are exempt from the taxes imposed under this chapter, except for premiums paid to the school employee insurance program as provided in section 297I.05, subdivision 15.

Sec. 15. APPOINTMENTS TO SCHOOL EMPLOYEE INSURANCE COMMITTEE; FIRST MEETING.

The appointing authorities under Minnesota Statutes, section 43A.316, subdivision 14, shall complete their initial appointments no later than August 1, 2010. The commissioner of finance, or the commissioner's designee, shall convene the first meeting of the school employee insurance committee within 30 days after determining that (1) an amendment or change to the coverage offered under Minnesota Statutes, section 43A.316, subdivision 12, is necessary; or (2) advice from the committee concerning the administration of the coverage would assist the commissioner.

Sec. 16. START-UP FUNDING; ADMINISTRATION OF ONGOING REVENUES AND EXPENSES.

(a) The commissioner of Minnesota Management and Budget shall use funds available in the insurance trust fund under Minnesota Statutes, section 43A.316, subdivision 9, in the form of temporary funding to pay for the administrative start-up costs necessary under this act. In addition to the amounts of temporary funding, the commissioner shall determine the amount of interest lost to the insurance trust fund as a result of the temporary funding.

(b) The commissioner of Minnesota Management and Budget shall impose an enrollment fee upon the premium charged for the first three months of coverage under the school employee insurance program created in this act sufficient to repay to the insurance trust fund the loans provided to cover the start-up costs incurred by the commissioner under paragraph (a), plus foregone interest to the insurance trust fund, as determined under paragraph (a). The commissioner shall deposit the enrollment fees in the insurance trust fund.
(c) All costs incurred and revenue received by the commissioner of Minnesota Management and Budget under this act in addition to those dealt with in paragraphs (a) and (b), shall on an ongoing basis be deposited into and paid out of the insurance trust fund as provided in Minnesota Statutes, section 43A.316, subdivision 9, as amended in this act.

Sec. 17. EFFECTIVE DATE.

Sections 1 to 6 and 8 to 12 are effective for coverage to begin January 1, 2012. Sections 7 and 15 are effective August 1, 2010.*

Delete the title and insert:

“A bill for an act relating to insurance; requiring school districts to obtain employee health coverage through the public employees insurance program; imposing a gross premiums tax on the program; imposing an enrollment fee; amending Minnesota Statutes 2008, sections 43A.316, subdivisions 9, 10, by adding subdivisions; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, by adding a subdivision; 297I.15, subdivision 3.”

We request the adoption of this report and repassage of the bill.

Senate Conferees: D. SCOTT DIBBLE, MARY OLSON, JULIE ROSEN, TONY LOUREY and GARY KUBLY.

House Conferees: LARRY HOSCH, TOM ANZELC, SANDRA PETERSON, LYNDON CARLSON and GREGORY DAVIDS.

Hosch moved that the report of the Conference Committee on S. F. No. 915 be adopted and that the bill be repassed as amended by the Conference Committee.

Doepke moved that the House refuse to adopt the Conference Committee report on S. F. No. 915, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Doepke motion and the roll was called. There were 55 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, B.  Demmer  Hamilton  Loon  Sanders  Swails  
Anderson, P.  Dettmer  Holberg  Mack  Scott  Torkelson  
Anderson, S.  Doepke  Hoppe  Magnus  Seifert  Westrom  
Beard  Downey  Kalin  McFarlane  Severson  Winkler  
Brod  Drazkowski  Kelly  McNamara  Shimanski  Zellers  
Brynaert  Eastlund  Kiffmeyer  Murdock  Simon  
Buesgens  Garofalo  Kohls  Nornes  Slawik  
Bunn  Gottwald  Lanning  Norton  Slocum  
Davnie  Gunther  Lillie  Peppin  Smith  
Dean  Hackbart  Loeffler  Ruud  Sterner  

...
Those who voted in the negative were:

Abeler  Eken  Hortman  Lesch  Newton  Scalze
Anzelc  Falk  Hosch  Liebling  Obermueller  Sertich
Atkins  Faust  Howes  Lieder  Olin  Solberg
Benson  Fritz  Huntley  Mahoney  Otremba  Thao
Bigham  Gardner  Jackson  Mariani  Paymar  Tillberry
Bly  Greiling  Johnson  Marquart  Pelowski  Udahl
Brown  Hansen  Juhnke  Masin  Persell  Wagenius
Carlson  Hausman  Kahn  Morgan  Peterson  Ward
Champion  Haws  Kath  Morrow  Poppe  Welti
Clark  Hayden  Knuth  Mullery  Reinert  Spk. Kelliher
Cornish  Hilstrom  Koenen  Murphy, E.  Rosenthal  
Dittrich  Hilty  Laine  Murphy, M.  Rukavina  
Doty  Hornstein  Lenczewski  Nelson  Sailer

The motion did not prevail.

The question recurred on the Hosch motion that the report of the Conference Committee on S. F. No. 915 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 915, A bill for an act relating to insurance; requiring school districts to obtain employee health coverage through the public employees insurance program; appropriating money; amending Minnesota Statutes 2008, sections 43A.316, subdivisions 9, 10, by adding subdivisions; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; 297I.15, subdivision 3

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 77 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Abeler  Falk  Hortman  Lesch  Murphy, M.  Rukavina
Anzelc  Faust  Hosch  Liebling  Nelson  Sailer
Atkins  Fritz  Howes  Lieder  Newton  Scalze
Bigham  Gardner  Jackson  Loeffer  Otegmueller  Solberg
Bly  Gunther  Johnson  Magnus  Olin  Thao
Brown  Hamilton  Juhnke  Mariani  Otremba  Tillberry
Carlson  Hansen  Johnson  Mahoney  Paymar  Torkelson
Champion  Hausman  Kahn  Marquart  Pelowski  Udahl
Clark  Haws  Kath  Masin  Persell  Ward
Cornish  Hayden  Knuth  Morgan  Peterson  Welti
Dittrich  Hilty  Laine  Mullery  Poppe  Spk. Kelliher
Doty  Hornstein  Lenczewski  Murphy, E.  Reinert

Those who voted in the negative were:

Anderson, B.  Beard  Brynaert  Davnie  Dettmer  Drazkowski
Anderson, P.  Benson  Buesgens  Dean  Doepke  Eastlund
Anderson, S.  Brod  Bunn  Demmer  Downey  Garofalo
The bill was repassed, as amended by Conference, and its title agreed to.

FIRST READING OF SENATE BILLS

S. F. No. 2496, A bill for an act relating to state government; establishing the Task Force for Policy Innovation and Research.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

S. F. No. 2998, A bill for an act relating to human services; modifying authorization of PACE programs; appropriating money; amending Minnesota Statutes 2009 Supplement, section 256B.69, subdivision 23.

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

S. F. No. 3019, A bill for an act relating to human services; authorizing a rate increase for publicly owned nursing facilities; changing the all-inclusive care for the elderly program (PACE); requiring a local share of nonfederal medical assistance costs; appropriating money; amending Minnesota Statutes 2008, sections 256B.19, by adding a subdivision; 256B.441, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 256B.69, subdivision 23.

The bill was read for the first time.

Koenen moved that S. F. No. 3019 and H. F. No. 3571, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3029, A bill for an act relating to human services; requiring the commissioner of human services to seek federal match for specified grant expenditures; requiring a report.

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

S. F. No. 3079, A bill for an act relating to education finance; modifying the postsecondary enrollments options program; amending Minnesota Statutes 2008, sections 124D.09, subdivisions 9, 20; 135A.101, subdivision 1.

The bill was read for the first time and referred to the Committee on Finance.
ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3106:

Bigham, Hilstrom, Norton, Cornish and Drazkowski.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 271:

Loeffler, Kahn and Cornish.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1905:

Loeffler, Fritz and Davids.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2505:

Slawik, Peterson and Nornes.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2510:

Obermueller, Rukavina, Mahoney, Haws and Gunther.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2540:

Hornstein, Hortman, Morrow, Lieder and Urdahl.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2695:

Ruud, Hilstrom and Abeler.

MOTIONS AND RESOLUTIONS

Hornstein moved that the name of Hayden be added as an author on H. F. No. 1250. The motion prevailed.

Hornstein moved that the name of Hayden be added as an author on H. F. No. 1306. The motion prevailed.

Clark moved that the name of Hayden be added as an author on H. F. No. 1747. The motion prevailed.

Fritz moved that the name of Otremba be added as an author on H. F. No. 1847. The motion prevailed.

Clark moved that the name of Hayden be added as an author on H. F. No. 2165. The motion prevailed.
Clark moved that the name of Hayden be added as an author on H. F. No. 2195. The motion prevailed.
Clark moved that the name of Hayden be added as an author on H. F. No. 2233. The motion prevailed.
Clark moved that the name of Hayden be added as an author on H. F. No. 2260. The motion prevailed.
Hornstein moved that the name of Hayden be added as an author on H. F. No. 2531. The motion prevailed.
Hornstein moved that the name of Hayden be added as an author on H. F. No. 2793. The motion prevailed.
Hornstein moved that the name of Hayden be added as an author on H. F. No. 3134. The motion prevailed.
Scott moved that her name be stricken as an author on H. F. No. 3278. The motion prevailed.
Murdock moved that his name be stricken as an author on H. F. No. 3278. The motion prevailed.
Nornes moved that his name be stricken as an author on H. F. No. 3278. The motion prevailed.
Shimanski moved that his name be stricken as an author on H. F. No. 3278. The motion prevailed.
Anderson, B., moved that his name be stricken as an author on H. F. No. 3278. The motion prevailed.
Hornstein moved that the name of Hayden be added as an author on H. F. No. 3286. The motion prevailed.
Clark moved that the name of Hayden be added as an author on H. F. No. 3323. The motion prevailed.
Clark moved that the name of Hayden be added as an author on H. F. No. 3395. The motion prevailed.
Hornstein moved that the name of Hayden be added as an author on H. F. No. 3461. The motion prevailed.
Dittrich moved that the name of Downey be added as an author on H. F. No. 3475. The motion prevailed.
Clark moved that the name of Hayden be added as an author on H. F. No. 3781. The motion prevailed.
Winkler moved that the name of Kohls be added as an author on H. F. No. 3821. The motion prevailed.

ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 2:00 p.m., Friday, May 7, 2010. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and Speaker pro tempore Pelowski declared the House stands adjourned until 2:00 p.m., Friday, May 7, 2010.

ALBINE A. MATTHOWETZ, Chief Clerk, House of Representatives