

SIXTY-EIGHTH DAY

St. Paul, Minnesota, Thursday, February 25, 2010

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Pastor Bill Berg.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

January 14, 2010

The Honorable James P. Metzen
President of the Senate

Dear Senator Metzen:

The following appointments are hereby respectfully submitted to the Senate for confirmation as

required by law:

MINNESOTA HOUSING FINANCE AGENCY

Michael D. Finch, 5917 Girard Ave. S., Minneapolis, in the county of Hennepin, effective January 19, 2010, for a term that expires on January 6, 2014.

Barbara A. Sanderson, 1501 - 3rd Ave. S.W., Grand Rapids, in the county of Itasca, effective January 19, 2010, to complete a term that expires on January 2, 2012.

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

Sincerely,
Tim Pawlenty, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2908.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted February 22, 2010

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H. F. No. 2908: A resolution urging payment of Federal Respite Leave Benefit for members of the 1st Brigade Combat Team, 34th Infantry Division of the Minnesota National Guard who served in Iraq during the Troop Surge of 2007.

Referred to the Committee on Agriculture and Veterans

REPORTS OF COMMITTEES

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

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

S.F. No. 2470: A bill for an act relating to public safety; authorizing wireless telecommunications service providers to provide call locations for emergencies; amending Minnesota Statutes 2008, section 626A.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 626A.

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

Page 2, after line 17, insert:

"Sec. 3. **KELSEY SMITH ACT.**

This act shall be known as the Kelsey Smith Act."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for the Kelsey Smith Act;"

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

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

S.F. No. 2532: A bill for an act relating to telecommunications; reducing the plurality necessary in a local election for a municipality to own and operate a telephone exchange; amending Minnesota Statutes 2008, section 237.19.

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

Page 1, line 20, after the period, insert "For the purpose of this section a "municipality" includes a county."

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

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

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

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

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

S.F. No. 2580: A bill for an act relating to state government; modifying provisions governing observance of Juneteenth; amending Minnesota Statutes 2008, section 10.55.

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

Page 1, line 7, strike "June 19" and insert "The third Saturday in June"

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

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

S.F. No. 568: A bill for an act relating to civil law; extending civil immunity to municipalities that donate public safety equipment; amending Minnesota Statutes 2008, section 466.03, by adding a subdivision.

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

Page 1, line 16, delete "2009" and insert "2010"

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

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

S.F. No. 2400: A bill for an act relating to local government; permitting certain metropolitan area local governments to impose response time residency requirements upon firefighters.

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

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

S.F. No. 2565: A bill for an act relating to local government aid; expanding the members of the study group to study aids to local governments; amending Laws 2008, chapter 366, article 2, section 12.

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

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

S.F. No. 2568: A bill for an act relating to economic development; encouraging job creation; allowing tax credits for job growth investment credit and historic structure rehabilitation; disallowing the deduction of certain dividends; expanding the use of special assessment for certain energy conservation improvements; expanding the permitted use of tax increment financing for certain projects; repealing restrictions on city of Bloomington's development of the Mall of America site; appropriating money; amending Minnesota Statutes 2008, sections 290.06, by adding a subdivision; 290.21, subdivision 4; 429.011, by adding subdivisions; 429.021, subdivision 1; 429.031, subdivision 3; 469.174, by adding a subdivision; 469.175, by adding a subdivision; 469.176, subdivisions 1b, 4c, by adding subdivisions; Minnesota Statutes 2009 Supplement, section 469.153, subdivision 2; Laws 1986, chapter 391, section 1; Laws 1995, chapter 264, article 5, sections 44, subdivision 4, as amended; 45, subdivision 1, as amended; Laws 2008, chapter 366, article 5, sections 28, subdivision 1; 29, subdivisions 1, 2, 4; proposing coding for new law in Minnesota Statutes, chapters 116J; 290; 469; repealing Laws 1996, chapter 464, article 1, section 8, subdivision 5.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

SMALL BUSINESS INVESTMENT CREDIT

Section 1. [116J.8737] SMALL BUSINESS INVESTMENT TAX CREDIT.

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Qualified small business" means a business that satisfies all of the following conditions:

(1) the business has its headquarters in Minnesota;

(2) at least 51 percent of the business's employees are employed in Minnesota, and 51 percent of the business's total payroll is paid or incurred in the state;

(3) the business is engaged in, or is committed to engage in, innovation in Minnesota in one of the following:

(i) using proprietary technology to add value to a product, process, or service in a qualified high-technology field;

(ii) researching or developing a proprietary product, process, or service in a qualified high-technology field;

(iii) researching, developing, or producing a new proprietary technology for use in the fields of tourism, forestry, mining, or transportation; or

(iv) qualified green manufacturing;

(4) other than the activities specifically listed in clause (3), the business is not engaged in real estate development, insurance, banking, lending, lobbying, political consulting, information technology consulting, wholesale or retail trade, leisure, hospitality, transportation, construction, ethanol production from corn, or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants;

(5) the business has fewer than 25 employees;

(6) if the business has five or more employees as measured on a full-time equivalent basis, the business must pay its employees in excess of the first five annual wages at least 175 percent of the federal poverty guideline for the year for a family of four;

(7) the business has not been in operation for more than ten consecutive years;

(8) the business has not received more than \$4,000,000 in qualifying investments that have qualified for and received tax credits under this section;

(9) the business is not a member of a unitary group that employs more than 100 employees; and

(10) the business has not previously received private equity investments of more than \$2,000,000.

(c) "Qualified high-technology field" includes, but is not limited to, aerospace, agricultural processing, alternative energy, environmental engineering, food technology, cellulosic ethanol, information technology, materials science technology, nanotechnology, telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics, biologicals, and veterinary science.

(d) "Proprietary technology" means the technical innovations that are unique and legally owned or licensed by a business and includes, without limitation, those innovations that are patented, patent pending, a subject of trade secrets, or copyrighted.

(e) "Qualified green manufacturing" means a business whose primary business activity is production of products, processes, methods, technologies, or services, excluding consulting, intended to do one or more of the following:

(1) increase the use of energy from renewable sources, as defined in section 216B.1691;

(2) increase the energy efficiency of the electric utility-producing infrastructure system or to increase energy conservation related to electricity or other utility use, as provided in sections 216B.2401 and 216B.241;

(3) reduce greenhouse gas emissions, as defined in section 216H.01, subdivision 2, or to mitigate greenhouse gas emissions or other waste products through, but not limited to, carbon capture, storage, or sequestration;

(4) monitor, protect, restore, and preserve the quality of surface waters; and

(5) expand the use of biofuels, including expanding the feasibility or reducing the cost of producing biofuels or the types of equipment, machinery, and vehicles that can use biofuels.

(f) "Qualified taxpayer" means an accredited investor, within the meaning of Regulation D of the Securities and Exchange Commission, Code of Federal Regulations, title 17, section 230.501(a), who:

(1) does not own, control, or hold power to vote 20 percent or more of the outstanding securities of the qualified small business in which the eligible investment is proposed; or

(2) does not receive more than 50 percent of the taxpayer's gross annual income from the qualified small business in which the eligible investment is proposed.

A member of the family of a taxpayer disqualified by this subdivision is not eligible for a credit under this section.

(g)(1) "Qualified angel investment network fund" means a pooled investment fund that:

(i) invests in qualified small businesses;

(ii) is organized as a pass-through entity; and

(iii) has at least three separate investors, all of whom are qualified taxpayers as defined in paragraph (f), and that own no more than 50 percent of the outstanding ownership interests in the fund; and

(2) for purposes of determining the number of investors and the ownership interest of an investor

under this paragraph, the ownership interests of an investor include those of the investor's family, and any corporation, limited liability company, partnership, or trust in which the investor or the investor's family has a controlling equity interest or exercises management control. Investments in the fund may consist of equity investments or notes that pay interest or other fixed amounts, or any combination of both.

(h) "Qualified investment" means either a cash investment of a minimum of:

(1) \$10,000 in a calendar year by a qualified taxpayer; or

(2) \$50,000 in a calendar year by a qualified angel investment network fund.

The qualified investment in a qualified small business must be in exchange for common stock, a partnership or membership interest, preferred stock, debt with mandatory conversion to equity, or an equivalent ownership interest as determined by the commissioner.

(i) "Family" means a family member within the meaning of the Internal Revenue Code, section 267(c)(4).

Subd. 2. **Certification of small businesses.** (a) Businesses may apply to the commissioner for certification as a qualified small business. The application must be in the form and be made under the procedures specified by the commissioner, accompanied by an application fee of \$150. The application for certification must be made available on the department's Web site by August 1, 2010. Applications for subsequent years' certification must be made available on the department's Web site by November 1 of the preceding year. Application fees collected are appropriated to the commissioner to be used for personnel and administrative expenses related to administering the program.

(b) A business seeking certification must submit an application for each taxable year for which the business desires certification. If a qualified small business receives a qualified investment for which tax credits are allocated, the business must annually submit a certified small business report in the form required by the commissioner with the required fee no later than February 1 for the two years subsequent to the last qualified investment. Failure to file an annual report as required under this subdivision results in a fine of \$500 and revocation of certification.

(c) The commissioner must maintain a list of businesses certified under this subdivision and make the list accessible to the public on the department's Web site.

Subd. 3. **Certification of qualified taxpayers.** (a) Taxpayers may apply to the commissioner for certification as a qualified taxpayer. The application must be in the form and be made under the procedures specified by the commissioner, accompanied by an application fee of \$350. The application for certification of qualified taxpayers must be made available on the department's Web site by August 1, 2010. Applications for subsequent years' certification must be made available on the department's Web site by November 1 of the preceding year. Application fees are appropriated to the commissioner for personnel and administrative expenses related to administering the program.

(b) A qualified taxpayer seeking certification must submit an application for each taxable year in which the qualified taxpayer seeks certification. If a qualified taxpayer receives tax credits under this section, a qualified taxpayer must submit an angel investor annual report in the form required by the commissioner with the required fee no later than February 1 of each year for two years subsequent to the last allocation of tax credits. Failure to file an angel investor annual report as required under this

subdivision results in the revocation of tax credits. Once a qualified taxpayer has filed the required annual reports and accompanying fees for two subsequent years following allocation of tax credits and complied with all other requirements for that allocation, the tax credits are no longer subject to revocation.

Subd. 4. **Certification of qualified angel investment network funds.** (a) Angel investment network funds may apply to the commissioner of employment and economic development for certification as a qualified angel investment network fund. The application must be in the form and be made under the procedures specified by the commissioner, accompanied by an application fee of \$1,000. The application for certification of qualified angel investor network funds must be made available on the department's Web site by August 1, 2010. Applications for subsequent years' certification must be made available by November 1 of the preceding year. Application fees collected are appropriated to the commissioner to be used for personnel and administrative expenses related to administering the program.

(b) A qualified angel investment network fund seeking certification must submit an application for each taxable year for which the angel investment network fund seeks certification. If any member of a qualified angel investment network fund receives tax credits under this section for qualified investments made by the fund, the qualified angel investment network fund must annually submit an angel investor annual report in the form required by the commissioner with the required fee no later than February 1 of each year for two years subsequent to the last allocation of credits. Failure to file an angel investor annual report as required under this subdivision results in revocation of tax credits. Once a qualified angel investment network fund has filed the required annual reports and accompanying fees for two subsequent years following allocation of tax credits and complied with all other requirements for that allocation, the tax credits are no longer subject to revocation.

Subd. 5. **Credit allowed.** (a) A qualified taxpayer or angel investor network fund is allowed a credit for investment in a qualified small business in the amount determined by the certification allocated by the commissioner against the tax imposed by chapter 290. The commissioner must not allocate more than \$10,000,000 in credits to qualified taxpayers or angel investment network funds per taxable year for taxable years beginning after December 31, 2009, and before January 1, 2012, and must not allocate more than \$12,000,000 in credits per taxable year for taxable years beginning after December 31, 2011. Any portion of a taxable year's credits that is not allocated by the commissioner does not cancel and may be carried forward to the subsequent taxable year until all credits have been allocated. Applications for tax investment credits must be made available on the department's Web site by September 1, 2010, and the department must begin accepting applications by September 1, 2010. Applications for subsequent years must be made available by November 1 of the preceding year.

(b) Tax investment credits must be allocated to qualified taxpayers or angel investor network funds in the order that the tax credit request applications are filed with the department. The investment specified in the application must be made within 60 days of the allocation of the credits. If the investment is not made within 60 days, the credits are deemed revoked. A qualified taxpayer or angel investor network fund that fails to invest as specified in the application, within 60 days from allocation of the credits, must notify the department of the failure to invest within five business days of the expiration of the 60-day investment period.

(c) All tax credit request applications filed with the department on the same day must be treated as having been filed contemporaneously. In the event that two or more qualified taxpayers or angel

investment network funds file tax credit request applications on the same day, and the aggregate amount of credit allocation claims exceeds the aggregate limit of credit under this section or the lesser amount of credits that remain unallocated on that day, then the credits must be allocated among the qualified taxpayers or angel investment network funds who filed on that day on a pro rata basis with respect to the amounts claimed. The pro rata allocation for any one qualified taxpayer or angel investment network fund is the product obtained by multiplying a fraction, the numerator of which is the amount of the credit allocation claim filed on behalf of a qualified taxpayer and the denominator of which is the total of all credit allocation claims filed on behalf of all applicants on that day, by the amount of credits that remain unallocated on that day for the fiscal year.

(d) The commissioner must notify the commissioner of revenue of every credit allocated and every credit revoked under this section.

Subd. 6. **Annual reports.** (a) By February 1 of each year for two years subsequent to the last allocation of credits, qualified small businesses, qualified taxpayers, and qualified angel investment network funds must submit an annual report and a filing fee of \$100. All report fees collected are appropriated to the commissioner for personnel and administrative expenses related to administering the program.

(b) Qualified small businesses must certify to the department in the form required by the commissioner that it satisfies the following requirements:

(1) the business has its headquarters in Minnesota;

(2) at least 51 percent of the business's employees are employed in Minnesota, and 51 percent of the business's total payroll is paid or incurred in the state;

(3) that the business is engaged in, or is committed to engage in, innovation in Minnesota as defined under subdivision 1; and

(4) that the business meets the payroll requirements in subdivision 1, paragraph (b), clause (6).

(c) Qualified taxpayers must certify to the department in the form required by the commissioner that the investor satisfies the following requirements:

(1) the taxpayer continues to meet the requirements of subdivision 1, paragraph (f); and

(2) that the taxpayer continues to remain invested in the qualified small business as required by section 290.0692, subdivision 3.

(d) Qualified angel investment network funds must certify to the department in the form required by the commissioner that the investor satisfies the following requirements:

(1) the taxpayer continues to meet the requirements of subdivision 1, paragraph (g); and

(2) that the angel investment network fund continues to remain invested in the qualified small business as required by section 290.0692, subdivision 3.

Subd. 7. **Rulemaking exception.** The commissioner's actions in establishing procedures and requirements and in making determinations and certifications to administer this section are not a rule for purposes of chapter 14, are not subject to the Administrative Procedure Act contained in chapter 14, and are not subject to section 14.386.

Subd. 8. **Report.** Beginning in 2011, the commissioner must annually report by March 15 to the chairs of the legislative committees and divisions having jurisdiction over taxes and economic development in the senate and the house of representatives on the tax credits issued under this section. The report must include:

- (1) the number and amount of the credits issued;
- (2) the recipients of the credits;
- (3) the number and type of each business certified as a qualified small business;
- (4) to the extent determinable, the total amount of investment generated by these credits; and
- (5) any other information relevant to evaluating the effect of these credits.

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

Sec. 2. **[290.0692] SMALL BUSINESS INVESTMENT CREDIT; CREDIT ALLOWED; LIMITATIONS; HOLDING PERIOD; AND CARRYOVER.**

Subdivision 1. **Credit allowed.** A qualified taxpayer is allowed a credit against the tax imposed under this chapter for investments made in the year in a qualified small business as defined under section 116J.8737. The credit equals 25 percent of the qualified taxpayer's investment in the business, but not to exceed the lesser of:

- (1) the liability for tax under this chapter, including the applicable alternative minimum tax, but excluding the minimum fee under section 290.0922; and
- (2) the amount of the certificate provided to the qualified taxpayer under section 116J.8737.

Subd. 2. **Limitations.** No taxpayer may receive more than \$125,000 in credits under this section in any one year.

Subd. 3. **Holding periods.** The credit is allowed only for investments for which a credit has been allocated by the commissioner of employment and economic development under section 116J.8737. Any credit taken by a taxpayer must be repaid, and any unused credits must be canceled, if the investment in the qualified small business is not held for at least three years. The three-year holding period does not apply if:

- (1) the investment by the qualified taxpayer becomes worthless before the end of the three-year period;
- (2) 80 percent or more of the assets of the qualified small business is sold before the end of the three-year period;
- (3) the qualified small business is sold before the end of the three-year period; or
- (4) the qualified small business's common stock begins trading on a public exchange before the end of the three-year period.

Subd. 4. **Proportional credits.** Each pass-through entity must provide each investor a statement indicating the investor's share of the credit amount certified to the pass-through entity based on its share of the pass-through entity's assets at the time of the qualified investment.

Subd. 5. **Carryover.** If the amount of the credit under this subdivision for any taxable year exceeds the liability for tax, the excess is a credit carryover to each of the ten succeeding taxable years. The entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried. The amount of the unused credit that may be added under this subdivision may not exceed the taxpayer's liability for tax less the credit for the taxable year.

Subd. 6. **Transfer of credits.** Any taxpayer who has not had liability under this chapter for the immediate past three taxable years and does not have anticipated liability for the current taxable year may transfer the entirety of the credit to any natural person of net worth, as defined in the Code of Federal Regulations, title 17, section 230.501(a). No person is entitled to a refund for the interest created under this subdivision. Only the full credit for any one taxpayer may be transferred and the interest may be transferred only one time. A credit acquired by transfer is subject to the limitations prescribed in this section. Documentation of any credit acquired by transfer must be provided by the taxpayer in the form required by the commissioner.

Subd. 7. **Audit powers.** Notwithstanding the certification eligibility issued by the commissioner of employment and economic development under section 116J.8737, the commissioner may utilize any audit and examination powers under chapter 270C or 289A to the extent necessary to verify that the taxpayer is eligible for the credit and to assess for the amount of any improperly claimed credit.

EFFECTIVE DATE. This section is effective for investments made after July 1, 2010, for taxable years beginning after December 31, 2009, and only applies to investments for which a credit has been allocated by the commissioner of employment and economic development.

ARTICLE 2

MINNESOTA BUSINESS INVESTMENT CREDIT

Section 1. [116J.665] MINNESOTA BUSINESS INVESTMENT COMPANY CREDIT.

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

(b) "Affiliate" means:

(1) any person who, directly or indirectly, beneficially owns, controls, or holds power to vote 15 percent or more of the outstanding voting securities or other voting ownership interest of a Minnesota business investment company or insurance company; or

(2) any person, 15 percent or more of whose outstanding voting securities or other voting ownership interests are directly or indirectly beneficially owned, controlled, or held with power to vote by a Minnesota business investment company or insurance company.

Notwithstanding this subdivision, an investment by a participating investor in a Minnesota business investment company pursuant to an allocation of premium tax credits under this section does not cause that Minnesota business investment company to become an affiliate of that participating investor.

(c) "Allocation date" means the date on which credits under section 297I.23 are allocated to the participating investors of a Minnesota business investment company under this section.

(d) "Designated capital" means an amount of money that:

(1) is invested by a participating investor in a Minnesota business investment company; and

(2) fully funds the purchase price of either or both participating investor's equity interest in a Minnesota business investment company or a qualified debt instrument issued by a Minnesota business investment company.

(e) "Minnesota business investment company" means a partnership, corporation, trust, or limited liability company, organized on a for-profit basis, that:

(1) has its principal office located or is headquartered in Minnesota;

(2) has as its primary business activity the investment of cash in qualified businesses; and

(3) is certified by the Department of Employment and Economic Development as meeting the criteria in this section.

(f) "Participating investor" means any insurance company as defined in section 60A.02, subdivision 4, excluding health maintenance organizations, that contributes designated capital pursuant to this section.

(g) "Person" means any natural person or entity, including, but not limited to, a corporation, general or limited partnership, trust, or limited liability company.

(h)(1) "Qualified business" means a business that is independently owned and operated and meets all of the following requirements:

(i) it is headquartered in Minnesota, its principal business operations are located in this state, and at least 80 percent of its employees are located in Minnesota;

(ii) it has no more than 100 employees;

(iii) it is not engaged in:

(A) professional services provided by accountants, doctors, or lawyers;

(B) banking or lending;

(C) real estate development;

(D) insurance;

(E) oil and gas exploration;

(F) direct gambling activities;

(G) retail sales; or

(H) making loans to or investments in a Minnesota business investment company or an affiliate; and

(iv) it is not a franchise of and has no financial relationship with a Minnesota business investment company or any affiliate of a Minnesota business investment company prior to a Minnesota business investment company's first qualified investment in the business;

(2) a business classified as a qualified business at the time of the first qualified investment in the business remains classified as a qualified business and may receive continuing qualified investments from any Minnesota business investment company. Continuing investments constitute qualified investments even though the business may not meet the definition of a qualified business at the time of the continuing investments.

(i) "Qualified debt instrument" means a debt instrument issued by a Minnesota business investment company which meets all of the following criteria:

(1) it is issued at par value or a premium; and

(2) it has an original maturity date of at least four years from the date of issuance, and a repayment schedule which is not faster than a level principal amortization over four years.

(j) "Qualified distribution" means any distribution or payment made by a Minnesota business investment company in connection with any of the following:

(1) costs and expenses of forming, syndicating, and organizing the Minnesota business investment company, including fees paid for professional services, and the costs of financing and insuring the obligations of a Minnesota business investment company, provided no payment is made to a participating investor;

(2) an annual management fee not to exceed one percent of designated capital on an annual basis to offset the costs and expenses of managing and operating a Minnesota business investment company;

(3) reasonable and necessary fees in accordance with industry custom for ongoing professional services, including, but not limited to, legal and accounting services related to the operation of a Minnesota business investment company, not including lobbying or governmental relations;

(4) any increase or projected increase in federal or state taxes, including penalties and related interest of the equity owners of a Minnesota business investment company resulting from the earnings or other tax liability of a Minnesota business investment company to the extent that the increase is related to the ownership, management, or operation of a Minnesota business investment company;

(5) payments of principal and interest to holders of qualified debt instruments issued by a Minnesota business investment company may be made without restriction whatsoever.

(k) "Qualified investment" means the investment of money by a Minnesota business investment company in a qualified business for the purchase of any debt, debt participation, equity, or hybrid security of any nature and description whatsoever, including a debt instrument or security that has the characteristics of debt but that provides for conversion into equity or equity participation instruments such as options or warrants. Any repayment of a qualified investment prior to one year from the date of issuance shall result in the amount of the qualified investment being reduced by 50 percent for purposes of the cumulative investment requirement in subdivision 8, paragraph (d).

(l) "State premium tax liability" means any liability incurred by an insurance company under chapter 297I or in the case of a repeal or a rate reduction by the state of the liability imposed by chapter 297I, any other tax liability imposed upon an insurance company by the state, other than the tax imposed on taxpayers under section 290.05.

Subd. 2. **Certification.** (a) The department must provide a standardized format for applying for the business investment credit under section 297I.23, and for certification as a Minnesota business investment company.

(b) An applicant for certification as a Minnesota business investment company is required to:

(1) file an application with the department that includes, without limitation, a statement that the applicant has read and understands the requirements of this chapter;

(2) pay a nonrefundable application fee of \$7,500 at the time of filing the application;

(3) submit as part of its application an audited balance sheet that contains an unqualified opinion of an independent certified public accountant issued not more than 35 days before the application date that states that the applicant has an equity capitalization of \$500,000 or more in the form of unencumbered cash, marketable securities, or other liquid assets; and

(4) have at least two principals or persons, at least one of which is primarily located in Minnesota, employed or engaged to manage the funds who each have a minimum of five years of money management experience in the venture capital or business industry.

(c) The department may certify partnerships, corporations, trusts, or limited liability companies, organized on a for-profit basis, which submit an application to be designated as a Minnesota business investment company if the applicant is located, headquartered, and licensed or registered to conduct business in Minnesota, has as its primary business activity the investment of cash in qualified businesses, and meets the other criteria in this section.

(d) The department must review the organizational documents of each applicant for certification and the business history of each applicant and determine whether the applicant has satisfied the requirements of this section.

(e) Within 45 days after the receipt of an application, the department must issue the certification or refuse the certification and communicate in detail to the applicant the grounds for refusal, including suggestions for the removal of such grounds.

(f) The department must begin accepting applications to become a Minnesota business investment company as defined under section 297I.23 by August 1, 2010.

(g) All certification fees collected by the department under this chapter are appropriated to the commissioner to be used for personnel and administrative expenses related to administering the program.

Subd. 3. **Requirements.** (a) A participating investor or affiliate of a participating investor must not, directly or indirectly:

(1) beneficially own, whether through rights, options, convertible interest, or otherwise, 15 percent or more of the voting securities or other voting ownership interest of a Minnesota business investment company;

(2) manage a Minnesota business investment company; or

(3) control the direction of investments for a Minnesota business investment company.

(b) A Minnesota business investment company may obtain one or more guaranties, indemnities, bonds, insurance policies, or other payment undertakings for the benefit of its participating investors from any entity, except that in no case can more than one participating investor of a Minnesota business investment company on an aggregate basis with all affiliates of the participating investor be entitled to provide the guaranties, indemnities, bonds, insurance policies, or other payment undertakings in favor of the participating investors of a Minnesota business investment company and its affiliates in this state.

(c) This subdivision does not preclude a participating investor, insurance company, or other party from exercising its legal rights and remedies, including, without limitation, interim management of a Minnesota business investment company, in the event that a Minnesota business investment company is in default of its statutory obligations or its contractual obligations to the participating investor, insurance company, or other party, or from monitoring a Minnesota business investment company to ensure its compliance with this section or disallowing any investments that have not been approved by the department.

(d) The department may contract with an independent third party to review, investigate, and certify that the applications comply with this section.

Subd. 4. Aggregate limitations on investment tax credits; allocation. (a) The aggregate amount of investment tax credits to be allocated to all participating investors of Minnesota business investment companies under this section shall not exceed \$60,000,000. No Minnesota business investment company, on an aggregate basis with its affiliates, may file credit allocation claims that exceed \$60,000,000.

(b) Credits must be allocated to participating investors in the order that the credit allocation claims are filed with the department, provided that all credit allocation claims filed with the department on the same day must be treated as having been filed contemporaneously. Any credit allocation claims filed with the department prior to the initial credit allocation claim filing date are deemed to have been filed on the initial credit allocation claim filing date. The department must set the initial credit allocation claim filing date not less than 120 days and not greater than 150 days after the department begins accepting applications for certification.

(c) In the event that two or more Minnesota business investment companies file credit allocation claims with the department on behalf of their respective participating investors on the same day, and the aggregate amount of credit allocation claims exceeds the aggregate limit of investment tax credits under this section or the lesser amount of credits that remain unallocated on that day, then the department must allocate the credits among the participating investors who filed on that day on a pro rata basis with respect to the amounts claimed. The pro rata allocation for any one participating investor is the product obtained by multiplying a fraction, the numerator of which is the amount of the credit allocation claim filed on behalf of a participating investor and the denominator of which is the total of all credit allocation claims filed on behalf of all participating investors on that day, by the aggregate limit of credits under this section or the lesser amount of credits that remain unallocated on that day.

(d) Within ten business days after the department receives a credit allocation claim filed by a Minnesota business investment company on behalf of one or more of its participating investors, the department must notify the Minnesota business investment company of the amount of credits allocated to each of the participating investors of that Minnesota business investment company. In

the event a Minnesota business investment company does not receive an investment of designated capital from each participating investor required to earn the amount of credits allocated to the participating investor within ten business days of the Minnesota business investment company's receipt of notice of allocation, then it shall notify the department on or before the next business day, and the credits allocated to the participating investor of the Minnesota business investment company are forfeited. The department must then reallocate those forfeited credits among the participating investors of the other Minnesota business investment companies on a pro rata basis with respect to the credit allocation claims filed on behalf of the participating investors. The commissioner is authorized, but not required, to levy a fine of not more than \$50,000 on any participating investor that does not invest the full amount of designated capital required to fund the credits allocated to it by the department in accordance with the credit allocation claim filed on its behalf.

(e) No participating investor, on an aggregate basis with its affiliates, may file an allocation claim for more than 25 percent of the maximum amount of investment tax credits authorized under this subdivision, regardless of whether the claim is made in connection with one or more Minnesota business investment companies.

Subd. 5. **Requirements for continuance of certification.** (a) To maintain its certification, a Minnesota business investment company must make qualified investments as follows:

(1) within two years after the allocation date, a Minnesota business investment company must invest an amount equal to at least 35 percent of its designated capital in qualified investments; and

(2) within three years after the allocation date, a Minnesota business investment company must invest an amount equal to at least 50 percent of its designated capital in qualified investments.

(b) Prior to making a proposed qualified investment in a specific business, a Minnesota business investment company must request from the department a written determination that the proposed investment qualifies as a qualified investment in a qualified business. The department must notify a Minnesota business investment company within ten business days from the receipt of a request of its determination and an explanation thereof. If the department fails to notify the Minnesota business investment company of its determination within the ten-business-day period, the proposed investment is deemed a qualified investment in a qualified business. If the department determines that the proposed investment does not meet the definition of a qualified investment or qualified business, or both, the department may nevertheless consider the proposed investment a qualified investment and, if necessary, the business a qualified business, if the department determines that the proposed investment furthers state economic development.

(c) All designated capital not invested in qualified investments by a Minnesota business investment company shall be held or invested in such manner as the Minnesota business investment company, in its discretion, deems appropriate. Designated capital and proceeds of designated capital returned to a Minnesota business investment company after being originally invested in qualified investments may be invested again in qualified investments and the investment shall count toward the requirements of paragraph (a) with respect to making investments of designated capital in qualified investments.

(d) If, within four years after its allocation date, a Minnesota business investment company has not invested at least 60 percent of its designated capital in qualified investments, the Minnesota business investment company must not be permitted to pay management fees.

(e) If, within six years after its allocation date, a Minnesota business investment company has not invested at least 100 percent of its designated capital in qualified investments, the Minnesota business investment company must not be permitted to pay management fees.

(f) A Minnesota business investment company may not invest more than 15 percent of its designated capital in any one qualified business without the specific approval of the department.

(g) For purposes of calculating the investment percentage thresholds of paragraph (a), the cumulative amount of all qualified investments made by a Minnesota business investment company from the allocation date must be considered.

Subd. 6. Minnesota business investment company reporting requirements. (a) Each Minnesota business investment company must report the following to the department in the form designated by the commissioner:

(1) as soon as practicable after the receipt of designated capital:

(i) the name of each participating investor from which the designated capital was received, including such participating investor's insurance tax identification number;

(ii) the amount of each participating investor's investment of designated capital; and

(iii) the date on which the designated capital was received;

(2) on an annual basis, on or before January 31 of each year:

(i) the amount of the Minnesota business investment company's designated capital that remains to be invested in qualified investments at the end of the immediately preceding taxable year;

(ii) whether or not the Minnesota business investment company has invested more than 15 percent of its total designated capital in any one business;

(iii) all qualified investments that the Minnesota business investment company has made in the previous taxable year, including the number of employees of each qualified business in which it has made investments at the time of such investment, and as of December 1 of the preceding taxable year; and

(iv) for any qualified business where the Minnesota business investment company no longer has an investment, the Minnesota business investment company must provide employment figures for that company as of the last day before the investment was terminated;

(3) other information that the department may reasonably request that helps the department ascertain the impact of the Minnesota business investment company program both directly and indirectly on the economy of the state including, but not limited to, the number of jobs created by qualified businesses that have received qualified investments;

(4) within 90 days of the close of its fiscal year, annual audited financial statements of the Minnesota business investment company, which must include the opinion of an independent certified public accountant; and

(5) an agreed upon procedures report or equivalent regarding the operations of the Minnesota business investment company.

(b) A Minnesota business investment company must pay to the department an annual, nonrefundable certification fee of \$5,000 on or before April 1, or \$10,000 if later. No annual certification fee is required if the payment date for the fee is within six months of the date a Minnesota business investment company is first certified by the department.

(c) Upon satisfying the requirements of subdivision 5, paragraph (a), clause (2), a Minnesota business investment company must provide the notice to the department and the department shall, within 60 days of receipt of the notice, either confirm that the Minnesota business investment company has satisfied the requirements of subdivision 5, paragraph (a), clause (2), as of such date or provide notice of noncompliance and an explanation of any existing deficiencies. If the department does not provide notification within 60 days, the Minnesota business investment company is deemed to have met the requirements of subdivision 5, paragraph (a), clause (2).

Subd. 7. **Distributions.** (a) A Minnesota business investment company may make qualified distributions at any time. In order for a Minnesota business investment company to make a distribution other than a qualified distribution to its equity holders, the cumulative amount of all qualified investments of the Minnesota business investment company must equal or exceed 100 percent of its designated capital.

(b) The state shall receive ten percent of the net profits on qualified investments. For purposes of this paragraph, "net profits on qualified investments" means the amount of money returned to the Minnesota business investment company in exchange for or repayment of its qualified investments in qualified businesses in excess of the amount invested by the Minnesota business investment company in qualified investments. The net profits on qualified investments are the aggregate of all of the Minnesota business investment company's qualified investments where gains on qualified investments are netted against losses on qualified investments.

Subd. 8. **Decertification.** (a) The department shall conduct an annual review of each Minnesota business investment company to determine if a Minnesota business investment company is abiding by the requirements of certification and to ensure that no investment has been made in violation of this section. The cost of the annual review must be paid by each Minnesota business investment company according to a reasonable fee schedule adopted by the department.

(b) Any material violation of this section, including any material misrepresentation made to the department in connection with the application process, is grounds for decertification of a Minnesota business investment company and the disallowance of credits under section 297I.23, provided that in all instances the department shall provide notice to the Minnesota business investment company of the grounds of the proposed decertification and the opportunity to cure the violation before any decertification becomes effective.

(c) The department shall send written notice of decertification to the commissioner of revenue and to the address of each participating investor whose tax credit may be subject to recapture or forfeiture, using the address shown on the last filing submitted to the department.

(d) Once a Minnesota business investment company has invested an amount cumulatively equal to 100 percent of its designated capital in qualified investments, provided that the Minnesota business investment company has met all other requirements under this section as of such date, the Minnesota business investment company is no longer subject to regulation by the department or the reporting requirements under subdivision 6. Upon receiving certification by a Minnesota business investment company that it has invested an amount equal to 100 percent of its designated

capital, the department shall notify a Minnesota business investment company within 60 days that it has or has not met the requirements, with a reason for the determination if it has not. If the department does not provide notification of deregulation within 60 days, the Minnesota business investment company is deemed to have met the requirements and is deemed to no longer be subject to regulation by the department.

Subd. 9. **Registration requirements.** All investments by participating investors for which tax credits are awarded under this section must be registered or specifically exempt from registration.

Subd. 10. **Rulemaking.** The commissioner's actions in establishing procedures and requirements and in making determinations and certifications to administer this section are not a rule for purposes of chapter 14, are not subject to the Administrative Procedure Act contained in chapter 14, and are not subject to section 14.386.

Subd. 11. **Reports to governor and legislature.** The department shall make an annual report by March 15 of each year to the governor and the chairs and ranking minority members of the legislative committees and divisions having jurisdiction over taxes and economic development. The report must include:

- (1) the number of Minnesota business investment companies holding designated capital;
- (2) the amount of designated capital invested in each Minnesota business investment company;
- (3) the cumulative amount that each Minnesota business investment company has invested as of January 1, 2011, and the cumulative total each year thereafter;
- (4) the cumulative amount of follow-on capital that the investments of each Minnesota business investment company have created in terms of capital invested in qualified businesses at the same time or subsequent to investments made by a Minnesota business investment company in such businesses by sources other than Minnesota business investment companies;
- (5) the total amount of investment tax credits applied under this section for each year;
- (6) the performance of each Minnesota business investment company with regard to the requirements for continued certification;
- (7) the classification of the companies in which each Minnesota business investment company has invested according to industrial sector and size of company;
- (8) the gross number of jobs created by investments made by each Minnesota business investment company and the number of jobs retained;
- (9) the location of the companies in which each Minnesota business investment company has invested;
- (10) those Minnesota business investment companies that have been decertified, including the reasons for decertification; and
- (11) other related information as necessary to evaluate the effect of this section on economic development.

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

Sec. 2. [297L.23] MINNESOTA BUSINESS INVESTMENT COMPANY CREDIT.

Subdivision 1. **Credit allowed.** (a) A participating investor as defined under section 116J.665, subdivision 1, is allowed a credit against the tax imposed in this chapter equal to 80 percent of the participating investor's investment of designated capital in a Minnesota business investment company. Beginning January 1, 2014, in tax years 2014 to 2017, a participating investor may claim an amount equal to 20 percent of the participating investor's investment of designated capital.

(b) The credit for any taxable year must not exceed the liability for tax. If the amount of the credit determined under this section for any taxable year exceeds the liability for tax, the excess is an investment tax credit carryover to each of the succeeding taxable years and must be carried forward to each succeeding taxable year until the entire carryforward has been credited against the participating investor's liability for tax under this chapter. Credits may be used in connection with both estimated and return payments of a participating investor's state premium tax liability.

(c) A participating investor claiming a credit under this section is not required to pay any additional retaliatory tax levied by Minnesota as a result of claiming the credit.

(d) A participating investor is not required to reduce the amount of tax pursuant to the state premium tax liability included by the participating investor in connection with ratemaking for any insurance contract written in this state because of a reduction in the participating investor's tax liability based on the tax credit allowed under this section.

(e) Decertification of a Minnesota business investment company under section 116J.665 may result in the disallowance and the recapture of the credit allowed under this section. The amount disallowed and recaptured must be assessed as follows:

(1) decertification of a Minnesota business investment company within two years of the allocation date of tax credits and prior to meeting the requirements of section 116J.665, subdivision 5, paragraph (a), clause (1), shall result in the disallowance of all of the credits allowed under this section;

(2) decertification of a Minnesota business investment company after two years of the allocation date of tax credits, but prior to meeting the requirements of section 116J.665, subdivision 5, paragraph (a), clause (1), results in the disallowance of one-half of all the credits allowed under this section; and

(3) decertification of a Minnesota business investment company that has already met the requirements of section 116J.665, subdivision 5, paragraph (a), clause (1), does not cause the disallowance of any credits allowed under this section nor the recapture of any portion of the credits that was previously taken.

Subd. 2. **Transfers.** A participating investor must not transfer, agree to transfer, sell, or agree to sell the credit under this section until 180 days from the date on which the participating investor invested designated capital. After 180 days from the date of investment, a participating investor, or subsequent transferee, may transfer credits to another person who is subject to tax and must notify the department in the form prescribed by the commissioner within 30 days of the transfer. A person must not transfer a credit more than once in a 12-month period. No person is entitled to a refund for the interest created under this subdivision. A credit acquired by transfer is subject to the limitations prescribed in this section. Any transfer or sale of the credits does not affect the time

schedule for claiming the credit. Any tax credits recaptured under this section remain the liability of the participating investor that actually applied the credit towards its tax liability.

Subd. 3. **Repayment of tax benefits received.** (a) Decertification of a Minnesota small business investment company or revocation of credits under section 116J.665, results in the disallowance to certified investors of any credits for that tax year or future tax years and the participating investor is required to repay any credits claimed for the previous year. Repayment must be made within 60 days of the decertification or the revocation of the certification.

(b) The provisions of chapters 270C and 297I relating to audit, assessment, refund, collection, and appeals are applicable to the credits claimed and repayment required under this section. The commissioner may impose civil penalties as provided in section 297I.85, and additional tax and penalties are subject to interest at the rate provided in section 270C.40, from the date payment was due.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2010.

ARTICLE 3

HISTORICAL STRUCTURE REHABILITATION CREDIT & REIT CONFORMITY

Section 1. **[290.0695] CREDIT FOR HISTORIC STRUCTURE REHABILITATION.**

Subdivision 1. **Definitions.** (a) As used in this section, the terms defined in this subdivision have the meanings given.

(b) "Certified historic structure" means a property located in Minnesota and listed individually on the National Register of Historic Places or a historic property designated by either a certified local government or a heritage preservation commission created under the National Historic Preservation Act of 1966 and whose designation is approved by the state historic preservation officer.

(c) "Eligible property" means a certified historic structure or a structure in a certified historic district that is offered or used for residential or business purposes.

(d) "Structure in a certified historic district" means a structure located in Minnesota that is certified by the State Historic Preservation Office as contributing to the historic significance of a certified historic district listed on the National Register of Historic Places or a local district that has been certified by the United States Department of the Interior.

Subd. 2. **Credit allowed.** A taxpayer who incurs costs for the rehabilitation of eligible property may take a credit against the tax imposed under this chapter in an amount equal to 20 percent of the total costs of rehabilitation. Costs of rehabilitation include, but are not limited to, qualified rehabilitation expenditures as defined under section 47(c)(2)(A) of the Internal Revenue Code, provided that the costs of rehabilitation must exceed 50 percent of the total basis in the property at the time the rehabilitation activity begins and the rehabilitation must meet standards consistent with the standards of the Secretary of the Interior for rehabilitation as determined by the State Historic Preservation Office of the Minnesota Historical Society.

Subd. 3. **Carryforward.** If the amount of the credit under subdivision 2 exceeds the tax liability under this chapter for the year in which the cost is incurred, the amount that exceeds the tax liability

may be carried forward to each of the ten taxable years succeeding the taxable year in which the expense was incurred. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year.

Subd. 4. **Partnerships; multiple owners; transfers.** (a) Credits granted to a partnership, a limited liability company taxed as a partnership, or multiple owners of property shall be passed through to the partners, members, or owners, respectively, pro rata or pursuant to an executed agreement among the partners, members, or owners documenting an alternate distribution method.

(b) Taxpayers eligible for credits may transfer, sell, or assign the credits in whole or part. Any assignee may use acquired credits to offset up to 100 percent of the taxes otherwise imposed by this chapter. The assignee shall perfect such transfer by notifying the Department of Revenue in writing within 30 calendar days following the effective date of the transfer in such form and manner as shall be prescribed by the Department of Revenue. The proceeds of any sale or assignment of a credit shall be exempt from taxation under this chapter.

Subd. 5. **Process.** To claim the credit, the taxpayer must apply to the State Historic Preservation Office of the Minnesota Historical Society before a historic rehabilitation project begins. The State Historic Preservation Office shall determine the amount of eligible rehabilitation costs and whether the rehabilitation meets the standards of the United States Department of the Interior. The State Historic Preservation Office shall issue certificates verifying eligibility for and the amount of credit. The taxpayer shall attach the certificate to any income tax return on which the credit is claimed. The State Historic Preservation Office of the Minnesota Historical Society may collect fees for applications for the historic preservation tax credit. Fees shall be set at an amount that does not exceed the costs of administering the tax credit program.

Subd. 6. **Mortgage certificates; credit for lending institutions.** (a) The taxpayer may elect, in lieu of the credit otherwise allowed under this section, to receive a historic rehabilitation mortgage credit certificate.

(b) For purposes of this subdivision, a historic rehabilitation mortgage credit is a certificate that is issued to the taxpayer according to procedures prescribed by the State Historic Preservation Office with respect to the certified rehabilitation and which meets the requirements of this paragraph. The face amount of the certificate must be equal to the credit that would be allowable under subdivision 2 to the taxpayer with respect to the rehabilitation. The certificate may only be transferred by the taxpayer to a lending institution, including a nondepository home mortgage lending institution, in connection with a loan:

(1) that is secured by the building with respect to which the credit is issued; and

(2) the proceeds of which may not be used for any purpose other than the acquisition or rehabilitation of the building.

(c) In exchange for the certificate, the lending institution must provide to the taxpayer an amount equal to the face amount of the certificate discounted by the amount by which the federal income tax liability of the lending institution is increased due to its use of the certificate in the manner provided in this section. That amount must be applied, as directed by the taxpayer, in whole or in part, to reduce:

- (1) the principal amount of the loan;
- (2) the rate of interest on the loan; or
- (3) the taxpayer's cost of purchasing the building, but only in the case of a qualified historic home that is located in a poverty-impacted area as designated by the State Historic Preservation Office.

(d) The lending institution may take as a credit against the tax due under this chapter an amount equal to the amount specified in the certificate. If the amount of the discount retained by the lender exceeds the amount by which the lending institution's federal income tax liability is increased due to the use of a mortgage credit certificate, the excess shall be refunded to the borrower with interest at the rate prescribed by the State Historic Preservation Office. The lending institution may carry forward all unused credits under this subdivision until exhausted. Nothing in this subdivision requires a lending institution to accept a historic rehabilitation certificate from any person.

EFFECTIVE DATE. This section is effective for taxable years after December 31, 2009, except that only projects that have obtained a certificate pursuant to subdivision 5 after June 30, 2010, are eligible for the credit.

Sec. 2. Minnesota Statutes 2008, section 290.21, subdivision 4, is amended to read:

Subd. 4. **Dividends received from another corporation.** (a)(1) Eighty percent of dividends received by a corporation during the taxable year from another corporation, in which the recipient owns 20 percent or more of the stock, by vote and value, not including stock described in section 1504(a)(4) of the Internal Revenue Code when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the income and gains therefrom; and

(2)(i) the remaining 20 percent of dividends if the dividends received are the stock in an affiliated company transferred in an overall plan of reorganization and the dividend is eliminated in consolidation under Treasury Department Regulation 1.1502-14(a), as amended through December 31, 1989;

(ii) the remaining 20 percent of dividends if the dividends are received from a corporation which is subject to tax under section 290.36 and which is a member of an affiliated group of corporations as defined by the Internal Revenue Code and the dividend is eliminated in consolidation under Treasury Department Regulation 1.1502-14(a), as amended through December 31, 1989, or is deducted under an election under section 243(b) of the Internal Revenue Code; or

(iii) the remaining 20 percent of the dividends if the dividends are received from a property and casualty insurer as defined under section 60A.60, subdivision 8, which is a member of an affiliated group of corporations as defined by the Internal Revenue Code and either: (A) the dividend is eliminated in consolidation under Treasury Regulation 1.1502-14(a), as amended through December 31, 1989; or (B) the dividend is deducted under an election under section 243(b) of the Internal Revenue Code.

(b) Seventy percent of dividends received by a corporation during the taxable year from another corporation in which the recipient owns less than 20 percent of the stock, by vote or value, not

including stock described in section 1504(a)(4) of the Internal Revenue Code when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of income and gain therefrom.

(c) The dividend deduction provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.

The dividend deduction provided in this subdivision does not apply to a dividend from a corporation which, for the taxable year of the corporation in which the distribution is made or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 of the Internal Revenue Code.

The dividend deduction provided in this subdivision applies to the amount of regulated investment company dividends only to the extent determined under section 854(b) of the Internal Revenue Code.

The dividend deduction provided in this subdivision shall not be allowed with respect to any dividend for which a deduction is not allowed under the provisions of section 246(c) of the Internal Revenue Code.

(d) If dividends received by a corporation that does not have nexus with Minnesota under the provisions of Public Law 86-272 are included as income on the return of an affiliated corporation permitted or required to file a combined report under section 290.17, subdivision 4, or 290.34, subdivision 2, then for purposes of this subdivision the determination as to whether the trade or business of the corporation consists principally of the holding of stocks and the collection of income and gains therefrom shall be made with reference to the trade or business of the affiliated corporation having a nexus with Minnesota.

(e) The deduction provided by this subdivision does not apply if the dividends are paid by a FSC as defined in section 922 of the Internal Revenue Code.

(f) If one or more of the members of the unitary group whose income is included on the combined report received a dividend, the deduction under this subdivision for each member of the unitary business required to file a return under this chapter is the product of: (1) 100 percent of the dividends received by members of the group; (2) the percentage allowed pursuant to paragraph (a) or (b); and (3) the percentage of the taxpayer's business income apportionable to this state for the taxable year under section 290.191 or 290.20.

(g) The deduction provided by this subdivision does not apply to dividends received from a real estate investment trust, if the dividends are not considered to be dividends under sections 243(d)(3) and 857(c) of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2009.

ARTICLE 4

TAX INCREMENT FINANCING

Section 1. Minnesota Statutes 2008, section 469.174, is amended by adding a subdivision to read:

Subd. 10c. **Compact development district.** "Compact development district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that the following conditions are satisfied:

(1) parcels consisting of 70 percent of the area of the district are occupied by buildings or other structures that are classified as class 3a property under section 273.13, subdivision 24; and

(2) the planned redevelopment or development of the district, when completed, will increase the total square footage of buildings, classified as class 3a under section 273.13, subdivision 24, occupying the district by three times or more relative to the square footage of similar buildings occupying the district when the resolution was approved.

EFFECTIVE DATE. This section is effective for districts for which the request for certification is made after June 30, 2009.

Sec. 2. Minnesota Statutes 2008, section 469.175, is amended by adding a subdivision to read:

Subd. 2b. **Compact development districts; sunset.** The authority to establish or approve the tax increment financing plan for a new compact development district expires on June 30, 2012.

Sec. 3. Minnesota Statutes 2008, section 469.176, subdivision 1b, is amended to read:

Subd. 1b. **Duration limits; terms.** (a) No tax increment shall in any event be paid to the authority

(1) after 15 years after receipt by the authority of the first increment for a renewal and renovation district,

(2) after 20 years after receipt by the authority of the first increment for a soils condition district,

(3) after eight years after receipt by the authority of the first increment for an economic development district,

(4) for a housing district, a compact development district, or a redevelopment district, after 25 years from the date of receipt by the authority of the first increment.

(b) For purposes of determining a duration limit under this subdivision or subdivision 1e that is based on the receipt of an increment, any increments from taxes payable in the year in which the district terminates shall be paid to the authority. This paragraph does not affect a duration limit calculated from the date of approval of the tax increment financing plan or based on the recovery of costs or to a duration limit under subdivision 1c. This paragraph does not supersede the restrictions on payment of delinquent taxes in subdivision 1f.

(c) An action by the authority to waive or decline to accept an increment has no effect for purposes of computing a duration limit based on the receipt of increment under this subdivision or any other provision of law. The authority is deemed to have received an increment for any year in which it waived or declined to accept an increment, regardless of whether the increment was paid to the authority.

(d) Receipt by a hazardous substance subdistrict of an increment as a result of a reduction in

original net tax capacity under section 469.174, subdivision 7, paragraph (b), does not constitute receipt of increment by the overlying district for the purpose of calculating the duration limit under this section.

EFFECTIVE DATE. This section is effective for districts for which the request for certification is made after June 30, 2009.

Sec. 4. Minnesota Statutes 2008, section 469.176, is amended by adding a subdivision to read:

Subd. 1i. **Compact development districts.** Tax increments derived from a compact development district may be used only to pay:

- (1) administrative expenses up to the amount permitted under subdivision 3;
- (2) the cost of acquiring land located in the district or abutting the boundary of the district;
- (3) demolition and removal of buildings or other improvements and other site preparation costs for lands located in the district or abutting the boundary of the district; and
- (4) installation of public infrastructure or public improvements serving the district, but excluding the costs of streets, roads, highways, parking, or other public improvements primarily designed to serve private passenger motor vehicles.

EFFECTIVE DATE. This section is effective for districts for which the request for certification is made after June 30, 2009.

Sec. 5. Minnesota Statutes 2008, section 469.176, subdivision 4c, is amended to read:

Subd. 4c. **Economic development districts.** (a) Revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if more than 15 percent of the buildings and facilities (determined on the basis of square footage) are used for a purpose other than:

- (1) the manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
- (2) warehousing, storage, and distribution of tangible personal property, excluding retail sales;
- (3) research and development related to the activities listed in clause (1) or (2);
- (4) telemarketing if that activity is the exclusive use of the property;
- (5) tourism facilities;
- (6) qualified border retail facilities; or
- (7) space necessary for and related to the activities listed in clauses (1) to (6).

~~(b) Notwithstanding the provisions of this subdivision, revenue derived from tax increment from an economic development district may be used to pay for site preparation and public improvements, if the following conditions are met:~~

- ~~(1) bedrock soils conditions are present in 80 percent or more of the acreage of the district;~~

~~(2) the estimated cost of physical preparation of the site exceeds the fair market value of the land before completion of the preparation; and~~

~~(3) revenues from tax increments are expended only for the additional costs of preparing the site because of unstable soils and the bedrock soils condition, the additional cost of installing public improvements because of unstable soils or the bedrock soils condition, and reasonable administrative costs.~~

(e) Notwithstanding the provisions of this subdivision, revenues derived from tax increment from an economic development district may be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form for up to 15,000 square feet of any separately owned commercial facility located within the municipal jurisdiction of a small city, if the revenues derived from increments are spent only to assist the facility directly or for administrative expenses, the assistance is necessary to develop the facility, and all of the increments, except those for administrative expenses, are spent only for activities within the district.

~~(d) For purposes of this subdivision, a qualified border retail facility is a development consisting of a shopping center or one or more retail stores, if the authority finds that all of the following conditions are satisfied:~~

~~(1) the district is in a small city located within one mile or less of the border of the state;~~

~~(2) the development is not located in the seven county metropolitan area, as defined in section 473.121, subdivision 2;~~

~~(3) the development will contain new buildings or will substantially rehabilitate existing buildings that together contain at least 25,000 square feet of retail space; and~~

~~(4) without the use of tax increment financing for the development, the development or a similar competing development will instead occur in the bordering state or province.~~

(e) (c) A city is a small city for purposes of this subdivision if the city was a small city in the year in which the request for certification was made and applies for the rest of the duration of the district, regardless of whether the city qualifies or ceases to qualify as a small city.

(d) Notwithstanding the requirements of paragraph (a) and the finding requirements of section 469.174, subdivision 12, tax increments from an economic development district may be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if all the following conditions are met:

(1) the municipality finds that the project will create or retain jobs in this state, including construction jobs, and that construction of the project would not have commenced before July 1, 2011, without the authority providing assistance under the provisions of this paragraph;

(2) construction of the project begins no later than July 1, 2011; and

(3) the request for certification of the district is made no later than June 30, 2011.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any economic development district for which the request for certification was made after June 30, 2009.

Sec. 6. Minnesota Statutes 2008, section 469.176, is amended by adding a subdivision to read:

Subd. 4m. **Temporary authority to stimulate construction.** (a) Notwithstanding the restrictions in any other subdivision of this section or any other law to the contrary, except the requirement to pay bonds to which the increments are pledged and the provisions of subdivisions 4g and 4h, the authority may spend tax increments for one or more of the following purposes:

(1) to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, if doing so will create or retain jobs in this state, including construction jobs, and that the construction commences before July 1, 2011, and would not have commenced before that date without the assistance; or

(2) to make an equity or similar investment in a corporation, partnership, or limited liability company that the authority determines is necessary to make a construction of a development that meets the requirements of clause (1) financially feasible.

(b) The authority may undertake actions under the authority of this subdivision only after approval by the municipality of a written spending plan that specifically authorizes the authority to take the actions. The municipality shall approve the spending plan only after a public hearing after published notice in a newspaper of general circulation in the municipality at least once, not less than ten days nor more than 30 days prior to the date of the hearing.

(c) The authority to spend tax increments under this subdivision expires December 31, 2011.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to tax increments derived from a district, regardless of when the request for certification was made.

Sec. 7. Laws 1995, chapter 264, article 5, section 44, subdivision 4, as amended by Laws 1996, chapter 471, article 7, section 21, and Laws 1997, chapter 231, article 10, section 12, and Laws 2008, chapter 154, article 9, section 18, is amended to read:

Subd. 4. **Authority.** For housing replacement projects in the city of Crystal, "authority" means the Crystal economic development authority. For housing replacement projects in the city of Fridley, "authority" means the housing and redevelopment authority in and for the city of Fridley or a successor in interest. For housing replacement projects in the city of Minneapolis, "authority" means the Minneapolis community development agency or its successors and assigns. For housing replacement projects in the city of St. Paul, "authority" means the St. Paul housing and redevelopment authority. For housing replacement projects in the city of Duluth, "authority" means the Duluth economic development authority. For housing replacement projects in the city of Richfield, "authority" is the authority as defined in Minnesota Statutes, section 469.174, subdivision 2, that is designated by the governing body of the city of Richfield. For housing replacement projects in the city of Columbia Heights, "authority" is the authority as defined in Minnesota Statutes, section 469.174, subdivision 2, that is designated by the governing body of the city of Columbia Heights. For housing replacement projects in the city of Brooklyn Park, "authority" is the authority as defined in Minnesota Statutes, section 469.174, subdivision 2, that is designated by the governing body of the city of Brooklyn Park.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the city of Brooklyn Park without local approval under Minnesota Statutes, section 645.023,

subdivision 1, paragraph (a).

Sec. 8. Laws 1995, chapter 264, article 5, section 45, subdivision 1, as amended by Laws 1996, chapter 471, article 7, section 22, and Laws 1997, chapter 231, article 10, section 13, and Laws 2002, chapter 377, article 7, section 6, and Laws 2008, chapter 154, article 9, section 19, is amended to read:

Subdivision 1. **Creation of projects.** (a) An authority may create a housing replacement project under sections 44 to 47, as provided in this section.

(b) For the cities of Crystal, Fridley, Richfield, ~~and~~ Columbia Heights, and Brooklyn Park, the authority may designate up to ~~50~~ 100 parcels in the city to be included in a housing replacement district over the life of a district or districts. ~~No more than ten parcels may be included in year one of the district, with up to ten additional parcels added to the district in each of the following nine years.~~ For the cities of St. Paul and Duluth, each authority may designate not more than 200 parcels in the city to be included in a housing replacement district over the life of the district. For the city of Minneapolis, the authority may designate not more than 400 parcels in the city to be included in housing replacement districts over the life of the districts. The only parcels that may be included in a district are (1) vacant sites, (2) parcels containing vacant houses, or (3) parcels containing houses that are structurally substandard, as defined in Minnesota Statutes, section 469.174, subdivision 10.

(c) The city in which the authority is located must pay at least 25 percent of the housing replacement project costs from its general fund, a property tax levy, or other unrestricted money, not including tax increments.

(d) The housing replacement district plan must have as its sole object the acquisition of parcels for the purpose of preparing the site to be sold for market rate housing. As used in this section, "market rate housing" means housing that has a market value that does not exceed 150 percent of the average market value of single-family housing in that municipality.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the affected cities without local approval under Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 9. CITY OF ST. PAUL; AUTHORITY TO EXERCISE SPECIAL LAW AUTHORITY.

Notwithstanding the failure of the governing body of the city of St. Paul to approve Laws 1995, chapter 264, article 5, sections 44 to 47, as required by Laws 1995, chapter 264, article 5, section 49, the provisions of sections 44 to 47, as amended, apply to the city of St. Paul without local approval under Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

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

ARTICLE 5

MALL OF AMERICA

Section 1. Laws 1986, chapter 391, section 1, is amended to read:

Section 1.

The legislature finds that providing areawide and local financial assistance, including the provision of security for debt financing, but not including direct subsidies to private interests, in the development of the ~~former metropolitan stadium site~~ Industrial Development District 1 (Airport South) of the city of Bloomington, as amended, is a public purpose of state, metropolitan, and local government in Minnesota and that it is a benefit to the metropolitan area within the purpose of the metropolitan revenue distribution program pursuant to chapter 473F.

EFFECTIVE DATE. This section is effective upon local approval of and compliance by the governing body of the city of Bloomington with the requirements of Minnesota Statutes, section 645.023.

Sec. 2. Laws 2008, chapter 366, article 5, section 28, subdivision 1, is amended to read:

Subdivision 1. **Additional taxes authorized; use of proceeds.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or charter provision to the contrary, the governing body of the city of Bloomington may impose any or all of the taxes described in this section. The proceeds of any taxes imposed under this section or section 27, less refunds and the cost of collection, must be used to provide financing for parking facilities or other public improvements for any phase of the Mall of America ~~phase H~~. The Port Authority of the city of Bloomington may, but is not required to, issue or cause the sale of bonds, a developer's note, or other obligations to finance the improvements. If a governmental entity other than the city of Bloomington issues the obligations used to finance the parking facilities and other public improvements, the city may transfer the funds available under this section and section 27 for financing the project to the entity that issued the bonds.

EFFECTIVE DATE. This section is effective upon local approval of and compliance by the governing body of the city of Bloomington with the requirements of Minnesota Statutes, section 645.023.

Sec. 3. Laws 2008, chapter 366, article 5, section 29, subdivision 1, is amended to read:

Subdivision 1. **Issuing authority.** (a) The city of Bloomington may contract with any of the following authorities to issue and sell revenue bonds for the purposes and in the amounts specified in subdivision 2:

(1) the commissioner of finance, exercising the authority granted under this section and Minnesota Statutes, sections 16A.672 to 16A.675;

(2) the Agricultural and Economic Development Board, exercising the powers granted under this section and Minnesota Statutes, chapter 41A; or

(3) the Minnesota Public Facilities Authority, exercising the powers granted under this section and Minnesota Statutes, chapter 446A.

(b) The authority granted in this section is in addition to the statutes in paragraph (a) and notwithstanding any contrary provisions in them.

(c) The contract must include as a party the developer of any phase H of the Mall of America and may include as a party any other entity deemed appropriate by the city of Bloomington, the issuing authority, and the developer.

EFFECTIVE DATE. This section is effective upon local approval of and compliance by the governing body of the city of Bloomington with the requirements of Minnesota Statutes, section 645.023.

Sec. 4. Laws 2008, chapter 366, article 5, section 29, subdivision 2, is amended to read:

Subd. 2. **Purposes and amounts.** (a) The revenue bonds may be issued in a single or multiple issues and sold for the following purposes:

(1) to pay the costs to design, construct, furnish, and equip parking facilities and ~~related~~ other public improvements for any phase ~~H~~ of the Mall of America;

(2) to pay the costs of issuance, debt service, and bond insurance or other credit enhancements, and to fund reserves; and

(3) to refund bonds issued under this section.

(b) The amount of bonds that may be issued for the purposes of paragraph (a), clause (1), may not exceed per issue the estimated cost from time to time of the parking facilities and other public improvements, including soft costs; the amount of bonds that may be issued for the purposes of paragraph (a), clauses (2) and (3), is not limited.

EFFECTIVE DATE. This section is effective upon local approval of and compliance by the governing body of the city of Bloomington with the requirements of Minnesota Statutes, section 645.023.

Sec. 5. Laws 2008, chapter 366, article 5, section 29, subdivision 4, is amended to read:

Subd. 4. **Sale and issuance; proceeds.** (a) The issuing authority may sell and issue the bonds on the terms and conditions the issuing authority determines to be in the best interests of the state after reviewing an agreement between the city of Bloomington and the developer of any phase ~~H~~ of the Mall of America setting out the terms upon which the city of Bloomington will use the proceeds of the bond sales. The bonds may be sold at public or private sale at a price or prices the issuing authority finds appropriate. The issuing authority may enter any agreements or pledges the issuing authority determines necessary or useful to sell the bonds that are not inconsistent with this section.

(b) The city may enter into a preliminary agreement with the issuing authority under which the city agrees, if the revenue bonds are not issued, to pay or cause to be paid the costs and expenses incurred by the issuing authority relating to the proposed issuance of the revenue bonds.

(c) The proceeds of the bonds issued under this section must be credited to a special Mall of America revenue bond proceeds account with the issuing authority or a trustee and are appropriated to the issuing authority for payment to the city of Bloomington for the purposes specified in subdivision 2.

EFFECTIVE DATE. This section is effective upon local approval of and compliance by the governing body of the city of Bloomington with the requirements of Minnesota Statutes, section 645.023.

Sec. 6. **REPEALER.**

Laws 1996, chapter 464, article 1, section 8, subdivision 5, is repealed.

EFFECTIVE DATE. This section is effective upon local approval of and compliance by the governing body of the city of Bloomington with the requirements of Minnesota Statutes, section 645.023."

Amend the title as follows:

Page 1, line 3, delete "job growth investment credit" and insert "investments in small businesses"

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete everything before "expanding"

Amend the title numbers accordingly

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

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

S.F. No. 2490: A bill for an act relating to economic development; amending the definition of "green economy" to include the concept of "green chemistry"; amending Minnesota Statutes 2008, section 116J.437, subdivision 1.

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

Page 2, line 5, delete everything after "chemistry" and insert ", as defined in section 116.9401"

Page 2, line 6, delete everything before the period

Page 2, delete lines 10 to 15

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

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

S.F. No. 1590: A bill for an act relating to consumer protection; protecting customers from injuries resulting from use of inflatable play equipment used for commercial purposes; requiring the presence of trained supervisors and liability insurance; proposing coding for new law in Minnesota Statutes, chapter 184B.

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

Page 1, line 25, before the period, insert "in accordance with industry and ASTM standards"

Page 2, line 19, delete everything after the period

Page 2, delete lines 20 and 21 and insert "In the event of a policy cancellation, the insurer will send written notice to the commissioner of labor and industry at the same time that a cancellation request is received from or a notice is sent to the insured."

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

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

S.F. No. 1886: A bill for an act relating to commerce; regulating public adjusters; modifying the notice of cancellation and prohibited practices; regulating insurance claims for residential roofing goods and services; amending Minnesota Statutes 2008, section 72B.135, subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Pages 1 to 2, delete sections 1 and 2

Page 3, after line 15, insert:

"Sec. 2. **[326B.811] RESIDENTIAL ROOFING CONTRACT; RIGHT TO CANCEL.**

Subdivision 1. **Required.** A person who has entered into a written contract with a residential roofer to provide goods and services to be paid by the insured from the proceeds of a property or casualty insurance policy has the right to cancel the contract within 48 hours after the insured has been notified by the insurer that the claim has been denied. Cancellation is evidenced by the insured giving written notice of cancellation to the residential roofer at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox, properly addressed to the residential roofer and postage prepaid. Notice of cancellation need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the insured not to be bound by the contract.

Subd. 2. **Writing required; notice of right to cancel; notice of cancellation.** (a) Before entering a contract referred to in subdivision 1, the residential roofer must:

(1) furnish the insured with a statement in boldface type of a minimum size of ten points, in substantially the following form:

"You may cancel this contract at any time within 48 hours after you have been notified that your insurer has denied your claim to pay for the goods and services to be provided under this contract. See attached notice of cancellation form for an explanation of this right."; and

(2) furnish each insured a fully completed form in duplicate, captioned, "NOTICE OF CANCELLATION," which shall be attached to the contract and easily detachable, and which shall contain in boldface type of a minimum size of ten points the following information and statements:

"NOTICE OF CANCELLATION

If your insurer denies your claim to pay for goods and services to be provided under this contract, you may cancel the contract by mailing or delivering a signed and dated copy of this cancellation notice or any other written notice to (name of residential roofer) at (address of residential roofer's place of business) at any time within 48 hours after you have been notified that your claim has been denied. If you cancel, any payments made by you under the contract will be returned within ten business days following receipt by the residential roofer of your cancellation notice.

I HEREBY CANCEL THIS TRANSACTION.

.....

(date)

.....
(Insured's signature)"

Subd. 3. **Return of payments; compensation.** Within ten days after a contract referred to in subdivision 1 has been canceled, the residential roofer must tender to the insured any payments made by the insured and any note or other evidence of indebtedness. However, if the residential roofer has performed any emergency services, the residential roofer is entitled to compensation for such services."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the first semicolon

Page 1, line 3, delete everything before "regulating" and before "insurance" insert "contracts and"

Amend the title numbers accordingly

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

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

S.F. No. 2512: A bill for an act relating to commerce; making changes in required continuing education of real estate brokers and salespersons; amending Minnesota Statutes 2008, sections 82.29, subdivision 4; 82.33, subdivision 4; Minnesota Statutes 2009 Supplement, section 82.32.

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

Page 1, line 20, delete "2010" and insert "2011"

Page 2, lines 6 and 7, reinstate the stricken language

Page 3, line 24, delete "no more than" and insert "either 3.75 or"

Page 3, line 26, delete ", if any,"

Page 3, line 34, delete everything after the second comma

Page 3, line 35, delete "May 31" and insert "April 1" and delete "thereafter" and after the period, insert "The commissioner may delegate the module and test development, subject to the commissioner's approval, to a statewide real estate trade association."

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

Page 4, line 10, delete everything before the period

Page 4, line 16, delete everything after the period

Page 4, delete line 17

Page 4, line 22, delete everything after the first "test"

Page 4, line 23, delete everything before the period

Page 4, line 28, delete everything after "effective" and insert "January 1, 2011,"

Page 4, line 29, delete "final enactment" and delete "2010" and insert "2011"

Page 4, line 30, delete "2011" and insert "2012"

Page 5, line 3, delete everything after "effective" and insert "January 1, 2011,"

Page 5, line 4, delete "final enactment" and delete "2010" and insert "2011"

Page 5, line 5, delete "2011" and insert "2012"

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

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

S.F. No. 2385: A bill for an act relating to commerce; banning cadmium jewelry; amending Minnesota Statutes 2008, section 325E.389.

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

Delete everything after the enacting clause and insert:

"Section 1. **[325E.3891] CADMIUM IN CHILDREN'S JEWELRY.**

Subdivision 1. **Definitions.** (a) As used in this section, the term:

(1) "accessible" has the meaning given in section 3.1.2 of the ASTM International Safety Specification on Toy Safety, F-963-08;

(2) "child" means an individual who is six years of age or younger; and

(3) "children's jewelry" means jewelry that is made for, marketed for use by, or sold to a child.

Subd. 2. **Prohibitions.** (a) A person may not use or apply cadmium in excess of 75 parts per million on any surface coating or accessible substrate material of children's jewelry, as determined through solubility testing for heavy metals defined in the ASTM International Safety Specification on Toy Safety, ASTM standard F-963-08, if the product is sold in this state. This section shall not regulate any product category for which an existing federal standard regulates cadmium exposure in surface coatings and accessible substrate materials.

(b) The prohibitions under this subdivision do not apply to sales or free distribution of jewelry by a nonprofit organization described in section 501(c)(3) of the Internal Revenue Code or to isolated and occasional sales of jewelry not made in the normal course of business.

Sec. 2. **EFFECTIVE DATE.**

This act is effective January 1, 2011."

Amend the title as follows:

Page 1, line 2, delete "banning cadmium jewelry" and insert "regulating cadmium in children's jewelry"

Amend the title numbers accordingly

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

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

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.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 626.5561, subdivision 1, is amended to read:

Subdivision 1. **Reports required.** (a) Except as provided in paragraph (b), a person mandated to report under section 626.556, subdivision 3, shall immediately report to the local welfare agency if the person knows or has reason to believe that a woman is pregnant and has used a controlled substance for a nonmedical purpose during the pregnancy, including, but not limited to, tetrahydrocannabinol, or has consumed alcoholic beverages during the pregnancy in any way that is habitual or excessive.

(b) A health care professional or a social service professional who is mandated to report under section 626.556, subdivision 3, is exempt from the report required under paragraph (a) if the professional knows or has reason to believe the woman is seeking or receiving prenatal care from a health care professional.

(c) Any person may make a voluntary report if the person knows or has reason to believe that a woman is pregnant and has used a controlled substance for a nonmedical purpose during the pregnancy, including, but not limited to, tetrahydrocannabinol, or has consumed alcoholic beverages during the pregnancy in any way that is habitual or excessive. An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the local welfare agency. Any report shall be of sufficient content to identify the pregnant woman, the nature and extent of the use, if known, and the name and address of the reporter.

(d) For purposes of this section, "prenatal care" means the comprehensive package of medical and psychosocial support provided throughout the pregnancy."

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

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

referred

S.F. No. 2713: A bill for an act relating to human services; amending provisions relating to judicial holds in commitment cases; amending Minnesota Statutes 2008, section 253B.07, subdivision 2b.

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

Page 1, line 24, after "hold" insert "due to a petition for civil commitment under section 253B.185"

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

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

S.F. No. 1761: A bill for an act relating to insurance; requiring health plans to establish equal out-of-pocket requirements for oral chemotherapy medications and intravenously administered chemotherapy medications; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Delete everything after the enacting clause and insert:

"Section 1. [62A.3075] CANCER CHEMOTHERAPY TREATMENT COVERAGE.

(a) A health plan company that provides coverage under a health plan for cancer chemotherapy treatment shall not require a higher co-payment, deductible, or coinsurance amount for a prescribed, orally administered anticancer medication that is used to kill or slow the growth of cancerous cells than what the health plan requires for an intravenously administered or injected cancer medication that is provided, regardless of formulation or benefit category determination by the health plan company.

(b) A health plan company shall not achieve compliance with this section by imposing an increase in co-payment, deductible, or coinsurance amount for an intravenously administered or injected cancer chemotherapy agent covered under the health plan.

(c) Nothing in this section shall be interpreted to prohibit a health plan company from requiring prior authorization or imposing other appropriate utilization controls in approving coverage for any chemotherapy.

EFFECTIVE DATE. Paragraphs (a) and (c) are effective August 1, 2010, and apply to health plans providing coverage to a Minnesota resident offered, issued, sold, renewed, or continued as defined in Minnesota Statutes, section 60A.02, subdivision 2a, on or after that date. Paragraph (b) is effective the day following final enactment."

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

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

S.F. No. 2563: A bill for an act relating to transportation; authorizing conveyance by

commissioner of transportation to Indian tribal government of land no longer needed for trunk highway purposes; amending Minnesota Statutes 2008, section 161.44, subdivision 1.

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

Page 1, after line 16, insert:

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

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2572: A bill for an act relating to transportation; clarifying time for providing notice of vehicle impoundment; amending Minnesota Statutes 2008, section 168B.06, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

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

S.F. No. 2468: A bill for an act relating to traffic regulations; regulating the admissibility of seat belt use evidence in certain civil actions; repealing Minnesota Statutes 2008, section 169.685, subdivision 4.

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

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

S.F. No. 2540: A bill for an act relating to transportation; modifying or adding provisions relating to transportation construction impacts on business, rest areas, highways, bridges, deputy registrars, vehicles, impounds, towing, intersection gridlock, bus operation, various traffic regulations, cargo tank vehicle weight exemptions, transportation department goals and mission, a Minnesota Council of Transportation Access, a Commuter Rail Corridor Coordinating Committee, railroad track safety, motor carriers of railroad employees, airport authorities, property acquisition for highways, transit, and town road interest extinguishment nullification; requiring a report; making technical and clarifying changes; amending Minnesota Statutes 2008, sections 161.14, by adding subdivisions; 165.14, subdivisions 4, 5; 168.33, subdivision 2; 168B.06, subdivision 1; 168B.07, subdivision 3; 169.041, subdivision 5; 169.15; 169.306; 169.87, by adding a subdivision; 174.01, subdivisions 1, 2; 174.02, subdivision 1a; 174.86, subdivision 5; 219.01; 221.012, subdivision 38, by adding a subdivision; 360.061, subdivision 3; 473.167, subdivision 2a; 473.411, subdivision 5; 514.18, subdivision 1a; Minnesota Statutes 2009 Supplement, sections 160.165; 161.14, subdivision 62; 169.71, subdivision 1; 169.865, subdivision 1; Laws 2008, chapter 287, article 1, section 122; proposing coding for new law in Minnesota Statutes, chapters 160; 174; 221; repealing Minnesota Statutes 2008, sections 13.721, subdivision 4; 169.041, subdivisions 3, 4; 221.0355, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18.

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

Page 2, line 30, after the semicolon, insert "or"

Page 2, line 33, delete the semicolon and insert a period

Page 2, delete lines 34 and 35

Page 3, delete lines 1 to 4

Page 6, line 25, after "302A" insert "or 317A"

Page 17, line 20, delete "Compensation" and insert "Reimbursement" and delete everything after "receive"

Page 22, line 34, after "means" insert ":(i)"

Page 22, line 35, before the period, insert "; or (ii) a manufactured home, as defined in section 327B.01, subdivision 13"

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

Senator Moua from the Committee on Judiciary, to which was referred

S.F. No. 436: A bill for an act relating to children; modifying and clarifying provisions governing parentage presumptions and right to custody; providing for prebirth parentage orders or judgments in certain cases; amending Minnesota Statutes 2008, sections 257.54; 257.541, subdivision 1; 257.55, subdivision 1; 257.57, subdivision 5.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 257.54, is amended to read:

257.54 HOW PARENT AND CHILD RELATIONSHIP ESTABLISHED.

Subdivision 1. General. The parent and child relationship between a child and:

(a) the biological mother may be established by proof of her having given birth to the child, or under sections 257.51 to 257.74 or 257.75;

(b) the biological father may be established under sections 257.51 to 257.74 or 257.75; or

(c) an adoptive parent may be established by proof of adoption.

Subd. 2. Application of paternity provisions to maternity determinations. Provisions of sections 257.51 to 257.74 or 257.75 relating to determinations of paternity, including all presumptions and procedures, apply to determinations of maternity.

Sec. 2. Minnesota Statutes 2008, section 257.541, subdivision 1, is amended to read:

Subdivision 1. **Mother's right to custody.** (a) The biological mother of a child born to a mother who was not married to the child's father when the child was born and was not married to the child's father when the child was conceived has sole custody of the child until paternity has been

established under sections 257.51 to 257.74, or until custody is determined in a separate proceeding under section 518.156.

(b) This subdivision does not apply in a contested paternity or maternity proceeding if the pregnancy was initiated by means other than sexual intercourse pursuant to an express written agreement among all known presumptive parents entered into before the initiation of the pregnancy under which another woman is identified as the intended mother.

Sec. 3. Minnesota Statutes 2008, section 257.55, subdivision 1, is amended to read:

Subdivision 1. **Presumption.** A man is presumed to be the biological father of a child if:

(a) he and the child's biological mother are or have been married to each other and the child is born during the marriage, or within 280 days after the marriage is terminated by death, annulment, declaration of invalidity, dissolution, or divorce, or after a decree of legal separation is entered by a court. The presumption in this paragraph does not apply if the man has joined in a recognition of parentage recognizing another man as the biological father under section 257.75, subdivision 1a;

(b) before the child's birth, he and the child's biological mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and:

(1) if the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 280 days after its termination by death, annulment, declaration of invalidity, dissolution or divorce; or

(2) if the attempted marriage is invalid without a court order, the child is born within 280 days after the termination of cohabitation;

(c) after the child's birth, he and the child's biological mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and:

(1) he has acknowledged his paternity of the child in writing filed with the state registrar of vital statistics;

(2) with his consent, he is named as the child's father on the child's birth record; or

(3) he is obligated to support the child under a written voluntary promise or by court order;

(d) while the child is under the age of majority, he receives the child into his home and openly holds out the child as his biological child;

(e) he and the child's biological mother acknowledge his paternity of the child in a writing signed by both of them under section 257.34 and filed with the state registrar of vital statistics. If another man is presumed under this paragraph to be the child's father, acknowledgment may be effected only with the written consent of the presumed father or after the presumption has been rebutted;

(f) he and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man is presumed to be the father under this subdivision;

(g) he and the child's biological mother have executed a recognition of parentage in accordance

with section 257.75 and another man and the child's mother have executed a recognition of parentage in accordance with section 257.75; or

(h) he and the child's biological mother executed a recognition of parentage in accordance with section 257.75 when either or both of the signatories were less than 18 years of age; or

(i) the pregnancy was initiated by means other than sexual intercourse and he intended at the outset of the process to be the legal parent of any resulting child pursuant to an express written agreement among all known presumptive parents entered into before the initiation of the pregnancy.

Sec. 4. Minnesota Statutes 2008, section 257.57, subdivision 5, is amended to read:

Subd. 5. Action brought before birth of child. (a) Except as provided in paragraph (b), if an action under this section is brought before the birth of the child, all proceedings shall be stayed until after the birth, except service of process and the taking of depositions to perpetuate testimony.

(b) The court may enter a prebirth order or judgment to establish paternity or maternity before the birth of the child if the pregnancy was initiated by means other than sexual intercourse. The order or judgment may be issued by the court ex parte without an appearance by the parties or their attorneys if the parties have filed a verified petition and stipulation requesting the order or judgment and an affidavit attesting that the pregnancy resulted from a means other than sexual intercourse. For proceedings under this paragraph, a background study under section 245C.33, the appointment of a guardian ad litem under section 257.60, a background study under section 259.41, a search of the fathers' adoption registry under section 259.52, or an assessment and report under section 259.53 is not required.

Sec. 5. EFFECTIVE DATE; APPLICATION.

Sections 1 to 4 are effective August 1, 2010 and apply to proceedings pending on or commenced on or after that date."

Delete the title and insert:

"A bill for an act relating to children; modifying and clarifying provisions governing parentage presumptions and right to custody; providing for prebirth parentage orders or judgments in certain cases; amending Minnesota Statutes 2008, sections 257.54; 257.541, subdivision 1; 257.55, subdivision 1; 257.57, subdivision 5."

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

Senator Moua from the Committee on Judiciary, to which was referred

S.F. No. 2562: A bill for an act relating to child support enforcement; updating provisions on access to certain information; authorizing certain actions by a public authority; requiring a notice; imposing certain duties; providing for survival of certain child support judgments; amending Minnesota Statutes 2008, sections 256.978, subdivision 2; 518A.46, subdivision 5, by adding a subdivision; 541.04; 548.09, subdivision 1, by adding a subdivision; repealing Minnesota Statutes 2008, sections 548.091, subdivision 3b; 548.092.

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

Page 5, line 14, delete everything after the semicolon

Page 5, line 17, delete the period and insert "; or"

Page 5, after line 17, insert:

"(3) the redirection of support is not in the best interests of the child."

Page 6, line 2, delete everything after "obligee"

Page 6, line 3, delete everything before the colon and insert "if the public authority determines that"

Page 6, after line 6, insert:

"(g) The public authority must notify the obligee, obligor, and caregiver of a termination of the redirection of support by mailing a written notice to each of them at their last known address. The termination is effective the first day of the month that occurs at least 14 calendar days after the date the notice is mailed."

Page 6, delete sections 4 to 7 and insert:

"Sec. 4. Minnesota Statutes 2008, section 541.04, is amended to read:

541.04 JUDGMENTS, TEN OR 20 YEARS.

No action shall be maintained upon a judgment or decree of a court of the United States, or of any state or territory thereof, unless begun within ten years after the entry of such judgment or, in the case of a judgment for child support, including a judgment by operation of law, unless begun within 20 years after entry of the judgment.

Sec. 5. Minnesota Statutes 2008, section 548.09, subdivision 1, is amended to read:

Subdivision 1. **Entry and docketing; survival of judgment.** Except as provided in section 548.091, every judgment requiring the payment of money shall be entered by the court administrator when ordered by the court and will be docketed by the court administrator upon the filing of an affidavit as provided in subdivision 2. Upon a transcript of the docket being filed with the court administrator in any other county, the court administrator shall also docket it. From the time of docketing the judgment is a lien, in the amount unpaid, upon all real property in the county then or thereafter owned by the judgment debtor, but it is not a lien upon registered land unless it is also recorded pursuant to sections 508.63 and 508A.63. The judgment survives, and the lien continues, for ten years after its entry or, in the case of a judgment for child support, including a judgment by operation of law, for 20 years after its entry. Child support judgments may be renewed pursuant to section 548.091."

Page 7, line 3, after "DATE" insert "; APPLICATION"

Page 7, line 4, delete "7" and insert "5" and after the period, insert "Sections 4 and 5 apply retroactively to child support judgments, including judgments by operation of law, that have not expired before January 1, 2011."

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Health, Housing and Family Security. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 568, 2400, 2490, 2512, 2695, 1761, 2563, 2572 and 436 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Moua, Scheid, Hann and Rest introduced–

S.F. No. 2787: A bill for an act relating to juveniles; requiring the court to provide a general notice of collateral sanctions to a juvenile before accepting a guilty plea; amending Minnesota Statutes 2008, section 260B.163, by adding a subdivision.

Referred to the Committee on Judiciary.

Senators Moua, Scheid, Hann and Rest introduced–

S.F. No. 2788: A bill for an act relating to public safety; extending the duration of the continuance period allowed in a juvenile delinquency matter; amending Minnesota Statutes 2008, section 260B.198, subdivision 7.

Referred to the Committee on Judiciary.

Senators Moua, Scheid, Hann, Rest and Ortman introduced–

S.F. No. 2789: A bill for an act relating to juvenile records; modifying provisions governing public access to certain juvenile records; limiting release of records with informed consent; amending Minnesota Statutes 2008, section 260B.171, subdivision 5.

Referred to the Committee on Judiciary.

Senators Moua, Ortman, Dille and Latz introduced–

S.F. No. 2790: A bill for an act relating to public safety; modifying provisions governing public hearings and public access to juvenile records; authorizing the expungement of certain juvenile records; authorizing the commissioner of human services to grant set asides or variances for certain individuals disqualified from licensure because of an offense committed as a juvenile; amending Minnesota Statutes 2008, sections 260B.163, subdivision 1; 260B.171, subdivisions 4, 5; 609A.02, subdivision 2; 609A.03, subdivisions 1, 2, 4, 5, 5a, 7; Minnesota Statutes 2009 Supplement, section 245C.24, subdivision 2.

Referred to the Committee on Judiciary.

Senator Senjem introduced—

S.F. No. 2791: A bill for an act relating to transportation; requiring specific service sign on marked Trunk Highway 52 in Olmsted County.

Referred to the Committee on Transportation.

Senator Senjem introduced—

S.F. No. 2792: A bill for an act relating to capital improvements; appropriating money for a veterans cemetery in southeastern Minnesota; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Senjem introduced—

S.F. No. 2793: A bill for an act relating to education; permitting fund transfer.

Referred to the Committee on Finance.

Senators Sheran, Parry, Frederickson, Senjem and Rosen introduced—

S.F. No. 2794: A bill for an act relating to transportation; establishing certain requirements concerning completion of construction projects on marked Trunk Highway 14.

Referred to the Committee on Transportation.

Senators Vandever, Saltzman, Koch, Hann and Senjem introduced—

S.F. No. 2795: A bill for an act relating to veterans; appropriating money for improvements at the Disabled Veterans Rest Camp on Big Marine Lake in Washington County.

Referred to the Committee on Finance.

Senator Moua introduced—

S.F. No. 2796: A bill for an act relating to probate; clarifying the powers of health care agents, guardians, and others to make health care decisions for wards and protected persons; modifying provisions governing guardians and conservators; amending Minnesota Statutes 2008, sections 145C.09, subdivision 3; 524.5-303; 524.5-403; 525A.09; Minnesota Statutes 2009 Supplement, sections 524.5-120; 524.5-304; 524.5-309; 524.5-310; 524.5-315; 524.5-316; 524.5-406; 524.5-420.

Referred to the Committee on Judiciary.

Senators Rosen, Sheran, Stumpf and Murphy introduced—

S.F. No. 2797: A bill for an act relating to education; permitting advertisements within a baseball field.

Referred to the Committee on Education.

Senators Rosen, Sheran, Langseth, Senjem and Ingebrigtsen introduced—

S.F. No. 2798: A bill for an act relating to taxation; sales and use; providing exemptions for public safety radio communications equipment; amending Minnesota Statutes 2008, section 297A.70, subdivision 8.

Referred to the Committee on Taxes.

Senators Scheid, Erickson Ropes, Metzen, Senjem and Sparks introduced—

S.F. No. 2799: A bill for an act relating to insurance; the Minnesota Comprehensive Health Association; providing an exception for children to the association's six-month preexisting condition limitation; making a technical update; amending Minnesota Statutes 2008, section 62E.14, subdivision 3, by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

Senator Stumpf introduced—

S.F. No. 2800: A bill for an act relating to health; exempting pools that are owned and operated by a private organization from the definition of a public pool; amending Minnesota Statutes 2008, section 144.1222, by adding a subdivision.

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

Senators Parry and Fischbach introduced—

S.F. No. 2801: A bill for an act relating to state spending; proposing an amendment to the Minnesota Constitution by adding a section to article XI; limiting the level of budgeted spending to the amount collected in the prior biennium.

Referred to the Committee on Finance.

Senators Rosen, Senjem, Sparks and Sheran introduced—

S.F. No. 2802: A bill for an act relating to education; reducing mandates; allowing temporary mandate suspensions; amending Laws 2008, chapter 363, article 2, section 46, subdivision 1, as amended; repealing Minnesota Statutes 2008, section 123B.05; Minnesota Statutes 2009 Supplement, section 120A.40.

Referred to the Committee on Education.

Senator Stumpf introduced—

S.F. No. 2803: A bill for an act relating to electrical licensing; modifying requirements for responsible licensed individuals; amending Minnesota Statutes 2008, section 326B.33, subdivision 17.

Referred to the Committee on Business, Industry and Jobs.

Senators Moua, Robling, Hann, Olseen and Doll introduced—

S.F. No. 2804: A bill for an act relating to public safety; requiring chemical use screen of juvenile offenders; amending Minnesota Statutes 2008, sections 260B.157, subdivision 1; 260B.176, subdivision 2.

Referred to the Committee on Judiciary.

Senators Bonoff; Olson, G.; Michel and Hann introduced—

S.F. No. 2805: A bill for an act relating to education finance; increasing the referendum allowance limit for certain school districts; amending Minnesota Statutes 2008, section 126C.17, subdivision 2.

Referred to the Committee on Finance.

Senators Bonoff, Rest, Torres Ray, Hann and Rosen introduced—

S.F. No. 2806: A bill for an act relating to education finance; increasing the allowance on the building lease levy; amending Minnesota Statutes 2008, section 126C.40, subdivision 1.

Referred to the Committee on Finance.

Senators Bonoff, Clark, Saxhaug, Rest and Rosen introduced—

S.F. No. 2807: A bill for an act relating to early childhood education; creating an early childhood education program for at-risk four-year-olds; amending Minnesota Statutes 2008, sections 124D.19, by adding a subdivision; 124D.20, by adding a subdivision.

Referred to the Committee on Education.

Senator Scheid introduced—

S.F. No. 2808: A bill for an act relating to liquor; clarifying a license provision for the city of Minneapolis; amending Laws 2009, chapter 120, section 16.

Referred to the Committee on Commerce and Consumer Protection.

Senators Higgins; Anderson; Moua; Olson, M. and Dille introduced—

S.F. No. 2809: A bill for an act relating to state government; creating employment guidance for using bond proceeds; requiring reports.

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

Senator Johnson introduced—

S.F. No. 2810: A bill for an act relating to gambling; proposing a constitutional amendment to

authorize gambling other than parimutuel betting at a licensed racetrack; proposing an amendment to the Minnesota Constitution, article X, section 8.

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

Senator Bonoff introduced–

S.F. No. 2811: A bill for an act relating to education; establishing an alternative teacher preparation program and limited-term teacher license; proposing coding for new law in Minnesota Statutes, chapter 122A.

Referred to the Committee on Education.

Senator Betzold introduced–

S.F. No. 2812: A bill for an act relating to retirement; lump sum volunteer firefighter relief associations; modifying the manner for the calculation of amortization requirements; amending Minnesota Statutes 2008, section 69.772, subdivisions 2, 2a, 3.

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

Senator Dibble introduced–

S.F. No. 2813: A bill for an act relating to education; updating board membership to conform with Laws 2006; authorizing the Minneapolis School Board to remove a member by a majority vote; amending Minnesota Statutes 2008, section 128D.05, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 128D; repealing Minnesota Statutes 2008, section 128D.14.

Referred to the Committee on Education.

Senators Dibble and Murphy introduced–

S.F. No. 2814: A bill for an act relating to human services; changing day training and habilitation insurance provisions; setting liability limits; changing the age limit for operators of vehicles for hire; directing the commissioner to seek a federal waiver; allowing a sales tax exemption for certain vehicles; amending Minnesota Statutes 2008, sections 171.322; 174.30, subdivision 1; 297B.03; proposing coding for new law in Minnesota Statutes, chapter 65B.

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

Senators Lourey, Prettner Solon, Doll and Sheran introduced–

S.F. No. 2815: A bill for an act relating to health; establishing a quality improvement program for physician clinics and hospitals; amending Minnesota Statutes 2008, section 62U.04, subdivisions 3, 6, 9, by adding a subdivision; repealing Minnesota Statutes 2009 Supplement, section 256B.032.

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

Senators Scheid, Carlson, Koering, Marty and Higgins introduced–

S.F. No. 2816: A bill for an act relating to insurance; limiting excessive enrollee cost-sharing on biologic prescription drugs; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Referred to the Committee on Commerce and Consumer Protection.

Senators Dahle, Sheran, Erickson Ropes and Ingebrigtsen introduced–

S.F. No. 2817: A bill for an act relating to public safety; authorizing certain qualified persons with medical training or supervision to take blood samples from DWI offenders; providing legal immunity; amending Minnesota Statutes 2008, section 169A.51, subdivision 7.

Referred to the Committee on Judiciary.

Senators Dahle, Saltzman and Skogen introduced–

S.F. No. 2818: A bill for an act relating to education; creating efficiency plus access task forces; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 123A.

Referred to the Committee on Education.

Senators Marty and Wiger introduced–

S.F. No. 2819: A bill for an act relating to education finance; modifying the school finance system; creating a new education funding framework; amending Minnesota Statutes 2008, sections 123B.53, subdivision 5; 124D.4531, as amended; 124D.59, subdivision 2; 124D.65, subdivision 5; 125A.76, subdivision 5; 125A.79, subdivision 7; 126C.01, by adding subdivisions; 126C.05, subdivisions 1, 3, 5, 6, 8, 16, 17; 126C.10, subdivisions 1, 2, 2a, 3, 4, 6, 13, 14, 18, by adding subdivisions; 126C.13, subdivisions 4, 5; 126C.17, subdivisions 1, 5, 6; 126C.20; 126C.40, subdivision 1; 127A.51; proposing coding for new law in Minnesota Statutes, chapters 123B; 126C; repealing Minnesota Statutes 2008, sections 123B.54; 123B.57, subdivisions 3, 4, 5; 123B.591; 125A.76, subdivision 4; 125A.79, subdivision 6; 126C.10, subdivisions 2b, 13a, 13b, 24, 25, 26, 27, 28, 29, 30, 31, 31a, 31b, 32, 33, 34, 35, 36; 126C.12; 126C.126; 127A.50.

Referred to the Committee on Finance.

Senator Rest introduced–

S.F. No. 2820: A bill for an act relating to waters; requiring approval of local government exceptions to lower St. Croix River standards; amending Minnesota Statutes 2008, section 103F.351, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Senators Saxhaug, Frederickson, Ingebrigtsen, Chaudhary and Stumpf introduced–

S.F. No. 2821: A bill for an act relating to natural resources; modifying off-highway vehicle seasons; modifying off-highway vehicle youth operation requirements; modifying nonresident all-terrain vehicle state trail pass; amending Minnesota Statutes 2008, sections 84.777, subdivision

2; 84.9256, subdivision 1; Minnesota Statutes 2009 Supplement, sections 84.793, subdivision 1; 84.9275, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Senators Clark, Pappas, Sheran and Robling introduced—

S.F. No. 2822: A bill for an act relating to higher education; regulating the transfer of credits within institutions belonging to the Minnesota State Colleges and Universities system; proposing coding for new law in Minnesota Statutes, chapter 136F.

Referred to the Committee on Higher Education.

Senators Prettner Solon and Lourey introduced—

S.F. No. 2823: A bill for an act relating to health occupations; modifying the definition of the practice of dentistry; amending Minnesota Statutes 2008, section 150A.05, subdivision 1.

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

Senator Skogen introduced—

S.F. No. 2824: A bill for an act relating to agriculture; establishing a variable rate fertilizer application equipment grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Veterans.

Senators Sparks, Scheid, Gerlach, Vandever and Dahle introduced—

S.F. No. 2825: A bill for an act relating to commerce; modifying continuing education provisions; amending insurance laws involving insurance company rehabilitation and liquidation, group life insurance, the use of mortality tables, the Life and Health Insurance Guaranty Association, and mutual insurance companies; amending Minnesota Statutes 2008, sections 60B.03, by adding subdivisions; 61A.09, by adding a subdivision; 61A.257, subdivisions 2, 3; 61B.19, subdivision 3; 61B.28, subdivision 7; 66A.40, subdivision 11; 66A.42; Minnesota Statutes 2009 Supplement, sections 45.31, subdivision 3; 60K.56, subdivision 6; 61B.19, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 60B.

Referred to the Committee on Commerce and Consumer Protection.

Senators Dibble; Rest; Olson, G.; Torres Ray and Anderson introduced—

S.F. No. 2826: A bill for an act relating to Hennepin County; authorizing business entity participation for certain energy-related purposes; proposing coding for new law in Minnesota Statutes, chapter 383B.

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

Senator Saxhaug introduced—

S.F. No. 2827: A bill for an act relating to taxation; eliminating property tax exemption for real and personal property used for pollution control as part of an electric generation system; authorizing a rate rider to compensate for tax increase; amending Minnesota Statutes 2008, section 272.02, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Taxes.

Senator Saxhaug introduced—

S.F. No. 2828: A bill for an act relating to game and fish; allowing scopes on muzzleloaders; amending Minnesota Statutes 2008, section 97B.031, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Senator Foley introduced—

S.F. No. 2829: A bill for an act relating to taxation; city of Coon Rapids; tax increment financing.

Referred to the Committee on Taxes.

Senators Chaudhary, Fobbe, Skogen, Saxhaug and Ingebrigtsen introduced—

S.F. No. 2830: A bill for an act relating to natural resources; repealing certain definitions related to natural resources; repealing a legislative guide requirement; repealing Minnesota Statutes 2008, section 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; Minnesota Statutes 2009 Supplement, sections 3.3006; 84.02, subdivisions 4a, 6a, 6b; Laws 2009, chapter 172, article 5, section 8.

Referred to the Committee on Environment and Natural Resources.

Senator Torres Ray introduced—

S.F. No. 2831: A bill for an act relating to human services; appropriating money to reinstate the emergency general assistance and emergency Minnesota supplemental aid programs.

Referred to the Committee on Finance.

Senators Saltzman, Scheid, Bakk, Moua and Limmer introduced—

S.F. No. 2832: A bill for an act relating to real property; requiring performance guidelines for certain residential contracts; modifying statutory warranties; requiring notice and opportunity to repair; providing for dispute resolution procedures; amending Minnesota Statutes 2008, sections 326B.809; 327A.01, subdivision 7, by adding a subdivision; 327A.02, subdivision 4, by adding subdivisions.

Referred to the Committee on Commerce and Consumer Protection.

Senator Bakk introduced–

S.F. No. 2833: A bill for an act relating to taxation; property; providing a property tax exemption for certain property leased to charter schools; amending Minnesota Statutes 2008, section 272.02, subdivision 42.

Referred to the Committee on Taxes.

Senators Bakk, Saxhaug, Chaudhary and Ortman introduced–

S.F. No. 2834: A bill for an act relating to civil law; restoring state and local government tort liability limits to pre-2008 levels; prohibiting state and local government contracts that require contractors to provide liability insurance or other security in excess of those limits; amending Minnesota Statutes 2008, sections 3.736, subdivision 4; 466.04, subdivision 1.

Referred to the Committee on Judiciary.

Senators Sheran, Pappas, Carlson, Marty and Dille introduced–

S.F. No. 2835: A bill for an act relating to local government; providing for city payments to towns following annexation; amending Minnesota Statutes 2008, section 414.036.

Referred to the Committee on Taxes.

Senators Dille, Marty, Pappas and Carlson introduced–

S.F. No. 2836: A bill for an act relating to local government; defining urban or suburban in character for the purposes of annexation; adding a factor to be considered in annexation; amending Minnesota Statutes 2008, sections 414.011, by adding a subdivision; 414.031, subdivision 4.

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

Senators Dahle, Marty, Pappas, Jungbauer and Wiger introduced–

S.F. No. 2837: A bill for an act relating to financial institutions; regulating payday lending; amending Minnesota Statutes 2008, sections 47.59, subdivision 2; 47.60, subdivision 2, by adding a subdivision; 53.05; Minnesota Statutes 2009 Supplement, sections 47.60, subdivision 1; 47.601, subdivisions 2, 6.

Referred to the Committee on Commerce and Consumer Protection.

Senator Skogen introduced–

S.F. No. 2838: A bill for an act relating to game and fish; modifying requirements for quartering deer; amending Minnesota Statutes 2008, section 97A.535, subdivision 2a.

Referred to the Committee on Environment and Natural Resources.

Senators Scheid, Sparks and Gerlach introduced—

S.F. No. 2839: A bill for an act relating to commerce; regulating various licensees and other entities; modifying informational requirements, continuing education requirements, and notice requirements; making various housekeeping, technical, and clarifying changes; reorganizing various provisions relating to real estate brokers, salespersons, and closing agents; modifying the membership requirements of, and appointment authority to, the real estate appraiser advisory board; amending Minnesota Statutes 2008, sections 45.0112; 60A.084; 60A.204; 60K.31, subdivision 10; 61A.092, subdivision 3; 62A.17, subdivision 5; 62A.65, subdivision 2; 62E.02, subdivision 15; 62E.14, subdivision 4c; 62L.05, subdivision 4; 62S.24, subdivision 8; 62S.266, subdivision 4; 62S.29, subdivision 1; 72A.20, subdivisions 36, 37; 72A.492, subdivision 2; 80A.41; 82.17, subdivision 15, by adding a subdivision; 82.19; 82.21, subdivision 2; 82.24, subdivision 3; 82.29, subdivisions 4, 5, 8; 82.31, subdivisions 1, 2; 82.33, subdivisions 1, 2, by adding a subdivision; 82.34, subdivisions 1, 2, 4, 5, 13; 82.39; 82.41, subdivisions 1, 2, by adding a subdivision; 82.45, subdivision 3, by adding subdivisions; 82.48, subdivisions 2, 3; 82B.05, as amended; Minnesota Statutes 2009 Supplement, sections 45.027, subdivision 1; 45.30, subdivision 4; 60A.9572, subdivision 6; 65A.29, subdivision 13; 82.31, subdivision 4; 82.32; proposing coding for new law in Minnesota Statutes, chapter 82; repealing Minnesota Statutes 2008, sections 82.19, subdivision 3; 82.22, subdivisions 1, 6, 7, 8, 9; 82.31, subdivision 6; 82.34, subdivision 16; 82.41, subdivisions 3, 7; 332.335; Minnesota Statutes 2009 Supplement, section 65B.133, subdivision 3.

Referred to the Committee on Commerce and Consumer Protection.

Senators Johnson, Skoe and Scheid introduced—

S.F. No. 2840: A bill for an act relating to weights and measures; modifying requirements for petroleum storage tanks; amending Minnesota Statutes 2008, section 239.752.

Referred to the Committee on Commerce and Consumer Protection.

Senator Dahle introduced—

S.F. No. 2841: A bill for an act relating to environment; modifying petroleum tank release provisions; amending Minnesota Statutes 2008, sections 13.7411, subdivision 6; 115C.02, subdivision 14, by adding a subdivision; 115C.07, subdivision 3; 514.671, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Senator Senjem introduced—

S.F. No. 2842: A bill for an act relating to real property; modifying a timeline relating to mechanics lien; amending Minnesota Statutes 2008, section 514.011, subdivision 2.

Referred to the Committee on Judiciary.

Senator Rummel introduced—

S.F. No. 2843: A bill for an act relating to waters; modifying watershed plan provisions; amending Minnesota Statutes 2008, section 103B.231, subdivisions 7, 9, 11; repealing Minnesota

Statutes 2008, section 103B.231, subdivision 8.

Referred to the Committee on Environment and Natural Resources.

Senators Skoe and Skogen introduced–

S.F. No. 2844: A bill for an act relating to labor and industry; modifying elevator provisions; amending Minnesota Statutes 2008, section 326B.184, subdivision 2; Minnesota Statutes 2009 Supplement, section 326B.163, subdivision 5.

Referred to the Committee on Business, Industry and Jobs.

Senator Skoe introduced–

S.F. No. 2845: A bill for an act relating to natural resources; waiving the supplemental application fee for utility crossings of public lands and waters under certain conditions; amending Minnesota Statutes 2009 Supplement, section 84.415, subdivision 6.

Referred to the Committee on Finance.

Senator Skoe introduced–

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 169.86, subdivision 5; 169.863, subdivision 1; 169.864, subdivision 4; 169.871, subdivisions 1, 1a, 1b; Minnesota Statutes 2009 Supplement, sections 169.801, subdivision 10; 169.81, subdivision 3; 169.824, subdivision 2; 169.8261, subdivision 2; 169.864, subdivision 2; 169.865, subdivision 1; 221.025; 221.031, subdivision 3; repealing Minnesota Statutes 2008, section 169.826, subdivision 6; Minnesota Rules, parts 7800.0100, subparts 4, 6, 7, 8, 11, 12, 13, 14; 7800.0200; 7800.0400; 7800.0800; 7800.0900; 7800.1000; 7800.3200, subpart 2; 7800.3300; 7805.0500; 7805.0900; 7805.1300; 8850.7950; 8850.8000; 8850.8050, subpart 2; 8850.8100; 8850.8250; 8850.8300; 8850.8350; 8850.8800; 8850.8850; 8850.9050, subpart 3; 8855.0410; 8855.0600; 8855.0850; 8920.0100; 8920.0150; 8920.0200; 8920.0300; 8920.0400; 8920.0500; 8920.0600; 8920.0700; 8920.0800; 8920.0900; 8920.1000; 8920.1100; 8920.1200; 8920.1300; 8920.1400; 8920.1500; 8920.1550; 8920.1600; 8920.1700; 8920.1800; 8920.1900; 8920.2000; 8920.2100; 8920.2200; 8920.2300; 8920.2400; 8920.2500; 8920.2600; 8920.2700; 8920.2800; 8920.2900; 8920.3000; 8920.3100; 8920.3200; 8920.3300; 8920.3400; 8920.3500; 8920.3600; 8920.3700; 8920.3800; 8920.3900; 8920.4000; 8920.4100; 8920.4200; 8920.4300; 8920.4400; 8920.4500.

Referred to the Committee on Transportation.

Senator Jungbauer introduced–

S.F. No. 2847: A bill for an act relating to bridges; providing for ongoing prioritization of bridge projects; amending Minnesota Statutes 2008, section 165.14, subdivision 4, by adding a subdivision.

Referred to the Committee on Transportation.

Senator Jungbauer introduced—

S.F. No. 2848: A bill for an act relating to railroads; exempting certain railroad property from storm sewer or storm water utility assessments, levies, or charges; amending Minnesota Statutes 2008, sections 218.011, by adding a subdivision; 444.075, by adding a subdivision; 444.20; proposing coding for new law in Minnesota Statutes, chapter 429.

Referred to the Committee on Transportation.

Senator Olson, M. introduced—

S.F. No. 2849: A bill for an act relating to natural resources; appropriating money for a pilot program on water quality enhancement.

Referred to the Committee on Finance.

Senators Saxhaug and Skogen introduced—

S.F. No. 2850: A bill for an act relating to highways; removing Route No. 297 and a portion of Route No. 332 from trunk highway system; amending Minnesota Statutes 2008, section 161.115, subdivision 263.

Referred to the Committee on Transportation.

Senator Lynch introduced—

S.F. No. 2851: A bill for an act relating to health; making technical changes to licensing provisions; amending Minnesota Statutes 2008, sections 148.5193, subdivision 6; 148.5195, subdivision 3; Minnesota Statutes 2009 Supplement, section 148.6405.

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

Senator Lourey introduced—

S.F. No. 2852: A bill for an act relating to health; providing administrative simplification by adding a health care clearinghouse for health care provider transactions; amending Minnesota Statutes 2008, sections 62J.51, by adding subdivisions; 62J.536, subdivisions 1, 2b, by adding a subdivision.

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

Senators Torres Ray, Tomassoni, Chaudhary and Moua introduced—

S.F. No. 2853: A bill for an act relating to workforce training; appropriating money to the Minority Workforce Collaborative.

Referred to the Committee on Business, Industry and Jobs.

Senator Metzen introduced—

S.F. No. 2854: A bill for an act relating to waters; appropriating money for remediation of Thompson Lake.

Referred to the Committee on Finance.

Senators Torres Ray, Marty and Erickson Ropes introduced—

S.F. No. 2855: A bill for an act relating to human services; making changes to children and family services technical and policy provisions; Minnesota family investment program and adult supports; early childhood development; child welfare; amending Minnesota Statutes 2008, sections 119B.189, by adding subdivisions; 119B.19, subdivision 7; 119B.21, as amended; 245A.04, subdivision 11; 256.01, by adding a subdivision; 256.046, subdivision 1; 256.82, subdivision 3; 256.98, subdivision 8; 256J.24, subdivisions 3, 5a, 10; 256J.37, subdivision 3a; 256J.425, subdivision 5; 260C.007, subdivision 4; 260C.193, subdivision 6; 260C.201, subdivision 10; 260C.451; 626.556, subdivision 10; Minnesota Statutes 2009 Supplement, sections 256D.44, subdivision 3; 256J.24, subdivision 5; 256J.425, subdivision 2; 256J.521, subdivision 2; 256J.561, subdivision 3; 256J.66, subdivision 1; 256J.95, subdivisions 3, 11; 260.012; 260C.212, subdivision 7; repealing Minnesota Statutes 2008, section 256.82, subdivision 5; Minnesota Rules, part 9560.0660.

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

Senators Tomassoni, Cohen, Bakk, Pogemiller and Berglin introduced—

S.F. No. 2856: A bill for an act relating to state government; modifying authority of the commissioner of management and budget to reduce allotments; amending Minnesota Statutes 2008, section 16A.152, subdivision 4.

Referred to the Committee on Finance.

Senator Sparks introduced—

S.F. No. 2857: A bill for an act relating to retirement; specifying coverage for certain Minnesota State Colleges and Universities employees; requiring employer to provide certain notices; amending Minnesota Statutes 2008, section 354B.21, subdivision 3, by adding a subdivision.

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

Senator Robling introduced—

S.F. No. 2858: A bill for an act relating to state government; making technical changes to amount of agency deposit receipts and clarifying use of fees in the combined charities campaign; appropriating money; amending Minnesota Statutes 2008, sections 16A.275; 43A.50, subdivision 2.

Referred to the Committee on Finance.

Senators Jungbauer, Chaudhary and Foley introduced–

S.F. No. 2859: A bill for an act relating to natural resources; creating the Coon Rapids Dam Commission; providing appointment; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Senators Higgins, Dibble, Torres Ray and Moua introduced–

S.F. No. 2860: A bill for an act relating to judicial proceedings; providing for wrongful death actions by domestic partners; establishing a witness privilege and crime victim rights for domestic partners; amending Minnesota Statutes 2008, sections 3.736, subdivision 6; 466.05, subdivision 2; 573.02, subdivisions 1, 3; 595.02, subdivision 1; 611A.01; 611A.036, subdivision 2; 611A.52, subdivision 8.

Referred to the Committee on Judiciary.

Senators Clark and Dille introduced–

S.F. No. 2861: A bill for an act relating to state government; prohibiting state employees, constitutional officers, and members of the legislature from using public funds to pay for the use of lodging, training, and meeting facilities that make pornographic images available to their patrons; proposing coding for new law in Minnesota Statutes, chapter 15.

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

Senators Scheid, Higgins and Limmer introduced–

S.F. No. 2862: A bill for an act relating to public safety; amending the predatory offender registration law to address registrants living in homeless shelters and to clarify that the registration requirement for offenders who move out of state are suspended not terminated; amending Minnesota Statutes 2008, section 243.166, subdivisions 1a, 3.

Referred to the Committee on Judiciary.

Senators Saxhaug and Anderson introduced–

S.F. No. 2863: A bill for an act relating to natural resources; increasing cross-country ski trail pass fees and providing an exception for school activities; amending Minnesota Statutes 2008, sections 85.41, subdivision 3; 85.42.

Referred to the Committee on Finance.

Senator Skogen introduced–

S.F. No. 2864: A bill for an act relating to state lands; providing for designation of certain state park and state forest boundaries; providing for certain historic property exemption; modifying state forest acquisition provisions; providing for acquisition of Lake Vermilion State Park; adding to and deleting from state parks and state forests; authorizing public and private sales, conveyances, and exchanges of certain state land; amending Minnesota Statutes 2008, sections 85.011; 85.012,

subdivision 40; 89.021, by adding a subdivision; 89.032, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 85.

Referred to the Committee on Environment and Natural Resources.

Senator Betzold introduced—

S.F. No. 2865: A bill for an act relating to genetic information; specifying how genetic information is to be treated; requiring informed consent prior to collecting genetic information and biological specimens; classifying data collection; amending Minnesota Statutes 2008, sections 13.3805, by adding a subdivision; 13.384, subdivision 1, by adding a subdivision; 144.69; 299C.155, subdivisions 1, 3, 4, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2008, section 13.386; Minnesota Rules, part 4606.3306.

Referred to the Committee on Judiciary.

Senator Sheran introduced—

S.F. No. 2866: A bill for an act relating to health; modifying provisions for the statewide trauma system; amending Minnesota Statutes 2008, sections 144.603; 144.605, subdivisions 2, 3, by adding a subdivision; 144.608, subdivision 1, by adding a subdivision; 145.61, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2008, section 144.607.

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

Senators Sheran, Higgins and Rosen introduced—

S.F. No. 2867: A bill for an act relating to human services; allowing certain firefighters and volunteer ambulance attendants to purchase MinnesotaCare coverage at full cost; amending Minnesota Statutes 2008, section 256L.07, by adding a subdivision.

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

Senators Stumpf, Skogen, Metzen, Senjem and Sparks introduced—

S.F. No. 2868: A bill for an act relating to energy; repealing prohibition on importation of electric energy from coal-fired power plants in other states; amending Minnesota Statutes 2008, sections 216H.01, subdivision 2; 216H.03, subdivisions 2, 3.

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

Senator Higgins introduced—

S.F. No. 2869: A bill for an act relating to human rights; making technical amendments to the Human Rights Act; amending Minnesota Statutes 2008, section 363A.02, subdivision 1.

Referred to the Committee on Judiciary.

Senator Rest introduced—

S.F. No. 2870: A bill for an act relating to state government; providing for certain funds established in the constitution to pay for audit costs incurred by the legislative auditor; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Finance.

Senator Skoe introduced—

S.F. No. 2871: A bill for an act relating to taxation; income; corporate franchise; interest netting; proposing coding for new law in Minnesota Statutes, chapter 270C.

Referred to the Committee on Taxes.

Senators Bakk and Scheid introduced—

S.F. No. 2872: A bill for an act relating to taxation; imposing sales tax on motor vehicle repair parts and supplies; amending Minnesota Statutes 2008, section 297A.68, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Frederickson, Tomassoni, Anderson and Rosen introduced—

S.F. No. 2873: A bill for an act relating to Public Facilities Authority; amending certain programs; making technical changes; amending Minnesota Statutes 2008, sections 446A.03, subdivision 5; 446A.07, subdivision 8; 446A.072, subdivisions 1, 3, 5a, 9; 446A.081, subdivision 9; 446A.086, subdivisions 1, 2, 11; Minnesota Statutes 2009 Supplement, sections 446A.075, subdivisions 1a, 2, 4, 5; 446A.081, subdivision 8.

Referred to the Committee on Business, Industry and Jobs.

Senators Pogemiller, Tomassoni, Saltzman and Vandever introduced—

S.F. No. 2874: A bill for an act relating to state government; streamlining state government; abolishing the Department of Employment and Economic Development and the Department of Labor and Industry; downsizing the Department of Commerce; establishing a task force; requiring establishment of an employee participation committee before agency restructuring; requiring reports.

Referred to the Committee on Business, Industry and Jobs.

MOTIONS AND RESOLUTIONS

Senator Berglin moved that her name be stricken as chief author, shown as a co-author, and the name of Senator Sheran be shown as chief author to S.F. No. 633. The motion prevailed.

Senator Koch moved that the name of Senator Olseen be added as a co-author to S.F. No. 1848. The motion prevailed.

Senator Senjem moved that his name be stricken as a co-author to S.F. No. 2078. The motion prevailed.

Senator Senjem moved that his name be stricken as a co-author to S.F. No. 2161. The motion prevailed.

Senator Senjem moved that his name be stricken as a co-author to S.F. No. 2167. The motion prevailed.

Senator Olson, G. moved that the names of Senators Clark, Wiger and Robling be added as co-authors to S.F. No. 2199. The motion prevailed.

Senator Fobbe moved that the name of Senator Clark be added as a co-author to S.F. No. 2331. The motion prevailed.

Senator Lynch moved that the name of Senator Olseen be added as a co-author to S.F. No. 2402. The motion prevailed.

Senator Dahle moved that the names of Senators Frederickson and Kubly be added as co-authors to S.F. No. 2403. The motion prevailed.

Senator Koch moved that the name of Senator Olseen be added as a co-author to S.F. No. 2411. The motion prevailed.

Senator Prettner Solon moved that the name of Senator Sparks be added as a co-author to S.F. No. 2470. The motion prevailed.

Senator Rummel moved that the name of Senator Hann be added as a co-author to S.F. No. 2496. The motion prevailed.

Senator Scheid moved that the name of Senator Sieben be added as a co-author to S.F. No. 2565. The motion prevailed.

Senator Cohen moved that the name of Senator Latz be added as a co-author to S.F. No. 2567. The motion prevailed.

Senator Latz moved that the name of Senator Fobbe be added as a co-author to S.F. No. 2689. The motion prevailed.

Senator Olseen moved that the name of Senator Koch be added as a co-author to S.F. No. 2729. The motion prevailed.

Senator Higgins moved that her name be stricken as a co-author to S.F. No. 2736. The motion prevailed.

Senator Scheid moved that the name of Senator Olson, M. be added as a co-author to S.F. No. 2736. The motion prevailed.

Senator Betzold moved that the name of Senator Rummel be added as a co-author to S.F. No. 2769. The motion prevailed.

Senator Olson, M. moved that the name of Senator Chaudhary be added as a co-author to S.F. No. 2780. The motion prevailed.

Senator Marty moved that the name of Senator Rummel be added as a co-author to S.F. No. 2783. The motion prevailed.

Senator Moua moved that S.F. No. 560 be withdrawn from the Committee on Finance and re-referred to the Committee on Judiciary. The motion prevailed.

Senator Moua moved that her name be stricken as chief author, shown as a co-author, and the name of Senator Latz be added as chief author to S.F. No. 560. The motion prevailed.

Senator Stumpf moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Saxhaug be shown as chief author to S.F. No. 345. The motion prevailed.

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

CALENDAR

S.F. No. 2259: A bill for an act relating to local government; authorizing federally recognized Indian tribes and the Minnesota Historical Society to participate in joint powers agreements; amending Minnesota Statutes 2008, section 471.59, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Gerlach	Johnson	Vandever
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So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Berglin moved that S.F. No. 2168 and the veto message thereon be taken from the table. The motion prevailed.

S.F. No. 2168: A bill for an act relating to health care; establishing mental health urgent care

and consultation services; modifying the general assistance medical care program; creating a health care home program for certain single adults and households without children; requiring a report; appropriating money; amending Minnesota Statutes 2008, sections 256.969, subdivision 27, by adding a subdivision; 256B.0625, subdivision 13f, by adding a subdivision; 256D.03, subdivisions 3a, 3b, by adding a subdivision; 256D.06, subdivision 7; 256L.05, subdivisions 1b, 3, 3a; 256L.07, subdivision 6; 256L.15, subdivision 4; 256L.17, subdivision 7; Minnesota Statutes 2009 Supplement, sections 256.969, subdivisions 2b, 3a; 256B.196, subdivision 2; 256B.199; 256D.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 245; 256D; 256L.

VETO RECONSIDERATION

Senator Berglin moved that S.F. No. 2168 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

CALL OF THE SENATE

Senator Berglin imposed a call of the Senate for the balance of the proceedings on S.F. No. 2168. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Berglin motion.

The roll was called, and there were yeas 45 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Latz	Pappas	Sieben
Bakk	Doll	Lourey	Pogemiller	Skoe
Berglin	Erickson Ropes	Lynch	Prettner Solon	Skogen
Betzold	Fobbe	Marty	Rest	Sparks
Bonoff	Foley	Metzen	Rummel	Stumpf
Carlson	Higgins	Moua	Saltzman	Tomassoni
Chaudhary	Kelash	Murphy	Saxhaug	Torres Ray
Clark	Kubly	Olseen	Scheid	Vickerman
Dahle	Langseth	Olson, M.	Sheran	Wiger

Those who voted in the negative were:

Dille	Hann	Koering	Pariseau	Vanderveer
Fischbach	Ingebrigtsen	Limmer	Parry	
Frederickson	Johnson	Michel	Robling	
Gerlach	Jungbauer	Olson, G.	Rosen	
Gimse	Koch	Ortman	Senjem	

The motion prevailed. So the bill was repassed and its title was agreed to, the objections of the Governor notwithstanding.

MOTIONS AND RESOLUTIONS - CONTINUED**RECONSIDERATION**

Senator Pogemiller moved that the vote whereby H.F. No. 2700 was repassed by the Senate on February 22, 2010, be now reconsidered. The motion prevailed. So the vote was reconsidered.

H.F. No. 2700: A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; cancelling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2008, sections 16A.105; 16A.501; 16A.66, subdivision 2; 103F.161, subdivisions 1, 3; 103F.515, by adding a subdivision; 116J.435, as amended; 174.50, subdivisions 6, 7; 256E.37, subdivisions 1, 2; Minnesota Statutes 2009 Supplement, sections 16A.647, subdivisions 1, 5; 16A.86, subdivision 3a; Laws 2005, chapter 20, article 1, sections 19, subdivision 4; 23, subdivision 12, as amended; Laws 2006, chapter 258, sections 5, subdivision 3; 8, subdivision 4; 17, subdivision 5; 21, subdivision 14, as amended; Laws 2008, chapter 152, article 2, section 3, subdivision 2; Laws 2008, chapter 179, sections 5, subdivision 4; 7, subdivisions 8, 27; 21, subdivision 9; Laws 2008, chapter 365, sections 4, subdivision 3; 5, subdivision 2; 24, subdivision 2; 25; Laws 2009, chapter 93, article 1, sections 11, subdivision 5; 20; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; repealing Laws 2009, chapter 93, article 1, section 45.

RECONSIDERATION

Senator Pogemiller moved that the vote whereby the Conference Committee Report on H.F. No. 2700 was adopted by the Senate on February 22, 2010, be now reconsidered. The motion prevailed. So the vote was reconsidered.

Senator Pogemiller moved that H.F. No. 2700 and the Conference Committee Report thereon be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Ingebrigtsen moved that his name be stricken as a co-author to S.F. No. 146. The motion prevailed.

Senator Koch moved that her name be stricken as chief author, shown as a co-author, and the name of Senator Limmer be added as chief author to S.F. No. 146. The motion prevailed.

MEMBERS EXCUSED

Senator Cohen was excused from the Session of today.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 11:00 a.m., Monday, March 1, 2010. The motion prevailed.

Peter S. Wattson, Secretary of the Senate (Legislative)

