

SIXTY-FIRST DAY

St. Paul, Minnesota, Tuesday, May 2, 2023

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Deacon Krista Lind.

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

The roll was called, and the following Senators were present:

Abeler	Dziedzic	Johnson	Maye Quade	Rarick
Anderson	Eichorn	Klein	McEwen	Rasmusson
Bahr	Farnsworth	Koran	Miller	Rest
Boldon	Fateh	Kreun	Mitchell	Seeberger
Carlson	Frentz	Kunesh	Mohamed	Utke
Champion	Green	Kupec	Morrison	Weber
Coleman	Gruenhagen	Lang	Murphy	Wesenberg
Cwodzinski	Gustafson	Latz	Nelson	Westlin
Dahms	Hauschild	Lieske	Oumou Verbeten	Westrom
Dibble	Hawj	Limmer	Pappas	Wiklund
Dornink	Hoffman	Lucero	Pha	Xiong
Draheim	Housley	Mann	Port	
Drazkowski	Howe	Marty	Pratt	
Duckworth	Jasinski	Mathews	Putnam	

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.

CERTIFICATION

May 1, 2023

To the Governor
State of Minnesota

To the Senate
State of Minnesota

To the House of Representatives
State of Minnesota

This is to certify that the House of Representatives and the Senate in Joint Convention on Monday, May 1, 2023, have elected as members of the Board of Regents of the University of Minnesota the following members each to hold office for the term specified for each to begin upon election by the Joint Convention:

Robyn Gulley, Second Congressional District, Six Years

Mary Turner, Third Congressional District, Six Years

Tadd Johnson, Eighth Congressional District, Six Years

Penny Wheeler, At-Large, Six Years

Bobby Joe Champion
President of the Senate

Melissa Hortman
Speaker of the House of Representatives

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1384: A bill for an act relating to state government; modifying labor policy provisions; modifying building codes, occupational safety and health, and employment law; amending Minnesota Statutes 2022, sections 13.43, subdivision 6; 120A.414, subdivision 2; 122A.181, subdivision 5; 122A.26, subdivision 2; 122A.40, subdivision 5; 122A.41, subdivision 2; 177.27, subdivision 4; 177.42, subdivision 2; 179A.03, subdivisions 14, 18; 179A.06, subdivision 6; 179A.07, subdivision 6, by adding subdivisions; 179A.12, subdivisions 6, 11, by adding a subdivision; 181.03, subdivision 6; 181.06, subdivision 2; 181.172; 181.275, subdivision 1; 181.932, subdivision 1; 181.939; 181.940, subdivisions 2, 3; 181.941, subdivision 3; 181.9413; 181.942; 181.9436; 181.945, subdivision 3; 181.9456, subdivision 3; 181.956, subdivision 5; 181.964; 182.659, subdivisions 1, 8; 182.66, by adding a subdivision; 182.661, by adding a subdivision; 182.676; 326B.093, subdivision 4; 326B.106,

by adding a subdivision; 326B.163, subdivision 5, by adding a subdivision; 326B.164, subdivision 13; 326B.31, subdivision 30; 326B.32, subdivision 1; 326B.36, subdivision 7, by adding a subdivision; 326B.805, subdivision 6; 326B.921, subdivision 8; 326B.925, subdivision 1; 326B.988; 572B.17; proposing coding for new law in Minnesota Statutes, chapters 16A; 181; 327; repealing Minnesota Statutes 2022, section 179A.12, subdivision 2.

Senate File No. 1384 is herewith returned to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned May 1, 2023

Senator Dziejdzic, for Senator McEwen, moved that the Senate do not concur in the amendments by the House to S.F. No. 1384, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 100:

H.F. No. 100: A bill for an act relating to cannabis; establishing the Office of Cannabis Management; establishing advisory councils; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis and certain hemp products by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; requiring testing of cannabis flower, cannabis products, and certain hemp products; requiring labeling of cannabis flower, cannabis products, and certain hemp products; limiting the advertisement of cannabis flower, cannabis products, and cannabis businesses, and hemp businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; taxing the sale of cannabis flower, cannabis products, and certain hemp products; establishing grant and loan programs; clarifying the prohibition on operating a motor vehicle while under the influence of certain products and chemicals; amending criminal penalties; establishing expungement procedures for certain individuals; requiring reports on expungements; providing for expungement of certain evictions; clarifying the rights of landlords and tenants regarding use of certain forms of cannabis; establishing labor standards for the use of cannabis flower, cannabis products, and certain hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; providing for local registration of certain cannabis businesses and hemp businesses operating retail establishments; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related changes and additions; making clarifying and technical changes; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 34A.01, subdivision 4; 144.99, subdivision 1; 144A.4791, subdivision 14; 151.72; 152.01, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivisions 1, 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.11, subdivision 2; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 169A.03, by adding subdivisions; 169A.20, subdivision 1; 169A.31, subdivision 1; 169A.51, subdivisions 1,

4; 169A.72; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, subdivisions 4, 5, 6, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 244.05, subdivision 2; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 270B.12, by adding a subdivision; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7; 297A.70, subdivisions 2, 4, 18; 297A.85; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.412, subdivision 14; 484.014, subdivision 3; 504B.171, subdivision 1; 609.2112, subdivision 1; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivisions 1, 2; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609A.03, subdivisions 5, 9; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 270C; 289A; 295; 340A; 504B; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Stephenson; Hanson, J.; Kozlowski; Hollins and West have been appointed as such committee on the part of the House.

House File No. 100 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 1, 2023

Senator Port moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 100, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 782 and 1234.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 1, 2023

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 782: A bill for an act relating to retirement; establishing the Minnesota Secure Choice retirement program; providing for civil penalties; transferring money; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 187.

Referred to the Committee on Finance.

H.F. No. 1234: A bill for an act relating to labor; modifying peace officer and firefighter duty disability provisions; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 299A.42; 299A.465, subdivision 4, by adding a subdivision; 352B.011, by adding a subdivision; 352B.10, subdivisions 1, 2a, 4, by adding a subdivision; 352B.101; 352B.105, subdivision 1; 353.01, subdivision 47; 353.031, subdivisions 1, 3, 4, 8, 9, by adding a subdivision; 353.335; 353.656, subdivisions 1, 1a, 1b, 3, 3a, 4, 6a, 10; proposing coding for new law in Minnesota Statutes, chapters 352B; 353; 626; repealing Minnesota Statutes 2022, section 353.656, subdivisions 2, 2a.

Referred to the Committee on State and Local Government and Veterans.

REPORTS OF COMMITTEES

Senator Dziejdzic moved that the Committee Report at the Desk be now adopted. The motion prevailed.

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

H.F. No. 447 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
447	200				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 447 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 447, the second engrossment; and insert the language after the enacting clause of S.F. No. 200, the first engrossment; further, delete the title of H.F. No. 447, the second engrossment; and insert the title of S.F. No. 200, the first engrossment.

And when so amended H.F. No. 447 will be identical to S.F. No. 200, and further recommends that H.F. No. 447 be given its second reading and substituted for S.F. No. 200, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. No. 447 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Frentz, Seeberger, Pappas, and Murphy introduced--

S.F. No. 3316: A bill for an act relating to retirement; State Auditor's volunteer firefighter working group recommendations; amending volunteer firefighters relief association provisions; making conforming changes; amending Minnesota Statutes 2022, sections 424A.001, subdivisions 4, 5, 8, 9, 10; 424A.003; 424A.01, subdivisions 1, 2, 5; 424A.014, subdivision 1; 424A.015, subdivisions 1, 5, 7; 424A.016, subdivisions 2, 6; 424A.02, subdivisions 1, 3, 7, 9; 424A.021; 424A.092, subdivision 6; 424A.093, subdivision 6; 424A.094, subdivision 1; 424A.095, subdivision 2; 424A.10; 424B.22, subdivision 10.

Referred to the Committee on State and Local Government and Veterans.

Senator Westlin introduced--

S.F. No. 3317: A bill for an act relating to civil actions; enacting the Uniform Public Expression Protection Act proposed for adoption by the National Conference of Commissioners on Uniform State Laws; proposing coding for new law in Minnesota Statutes, chapter 554; repealing Minnesota Statutes 2022, sections 554.01; 554.02; 554.03; 554.04; 554.045; 554.05; 554.06.

Referred to the Committee on Judiciary and Public Safety.

Senator Duckworth introduced--

S.F. No. 3318: A bill for an act relating to education; requiring assessment of school readiness for children entering kindergarten; amending Minnesota Statutes 2022, section 124D.162.

Referred to the Committee on Education Policy.

Senator Kupec introduced--

S.F. No. 3319: A bill for an act relating to capital investment; appropriating money for the children's museum in the city of Fergus Falls.

Referred to the Committee on Capital Investment.

MOTIONS AND RESOLUTIONS

Senator McEwen moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 765. The motion prevailed.

Senator Westlin moved that the name of Senator Oumou Verbeten be added as a co-author to S.F. No. 3013. The motion prevailed.

Senator Cwodzinski moved that the name of Senator Gustafson be added as a co-author to S.F. No. 3314. The motion prevailed.

RECESS

Senator Dziedzic moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Dziedzic from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 100: Senators Port, Oumou Verbeten, Murphy, Pha, and Rasmusson.

Senator Dziedzic moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDERS

Pursuant to Rule 26, Senator Frentz, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 1938.

SPECIAL ORDER

H.F. No. 1938: A bill for an act relating to financing and operation of state and local government; modifying provisions governing individual income and corporate franchise taxes, federal conformity, property taxes, certain state aid and credit programs, sales and use taxes, minerals taxes, tax increment financing, certain local taxes, provisions related to public finance, and various other taxes and tax-related provisions; modifying income tax credits; modifying existing and proposing new subtractions; modifying provisions related to the taxation of pass-through entities; providing for certain federal tax conformity; modifying individual income tax rates; modifying provisions related to reporting of corporate income; providing a onetime refundable rebate credit; providing for conformity to certain federal tax provisions; modifying property tax exemptions, classifications, and refunds; modifying local government aid calculations; establishing soil and water conservation district aid; providing for certain sales tax exemptions and providing new definitions; modifying taconite taxes and distributions; converting the renter's property tax refund into a refundable individual income tax credit; modifying provisions related to tax increment financing and allowing certain special local provisions; modifying certain local taxes; establishing tourism improvement special

taxing districts; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 3.8855, subdivisions 4, 7; 6.495, subdivision 3; 10A.31, subdivisions 1, 3; 13.46, subdivision 2; 41B.0391, subdivisions 1, 2, 4, 7; 116U.27, subdivisions 1, 4, 7; 118A.04, subdivision 5; 123B.61; 168B.07, subdivision 3; 256J.45, subdivision 2; 256L.15, subdivision 1a; 270A.03, subdivision 2; 270B.12, subdivision 8; 270B.14, subdivision 1; 270C.13, subdivision 1; 270C.19, subdivisions 1, 2; 270C.445, subdivisions 2, 3; 270C.446, subdivision 2; 270C.52, subdivision 2; 272.01, subdivision 2; 272.02, subdivisions 24, 73, 98, by adding a subdivision; 273.11, subdivision 12; 273.124, subdivisions 6, 13, 13a, 13c, 13d, 14; 273.1245, subdivision 1; 273.13, subdivisions 25, 34, 35; 273.1315, subdivision 2; 273.1341; 273.1392; 275.065, subdivisions 3, 3b, 4; 278.01, subdivision 1; 279.03, subdivision 1a; 282.261, subdivision 2; 289A.02, subdivision 7, as amended; 289A.08, subdivisions 7, as amended, 7a, as amended, by adding subdivisions; 289A.18, subdivision 5; 289A.38, subdivision 4; 289A.382, subdivision 2; 289A.50, by adding a subdivision; 289A.56, subdivision 6; 289A.60, subdivisions 12, 13, 28; 290.01, subdivisions 19, as amended, 31, as amended; 290.0132, subdivisions 4, 24, 26, 27, by adding subdivisions; 290.0133, subdivision 6; 290.0134, subdivision 18, by adding a subdivision; 290.06, subdivisions 2c, as amended, 2d, 22, 39; 290.067; 290.0671, as amended; 290.0674; 290.0677, subdivision 1; 290.0682, subdivision 2, by adding a subdivision; 290.0685, subdivision 1, by adding a subdivision; 290.0686; 290.091, subdivision 2, as amended; 290.17, subdivision 4, by adding a subdivision; 290.21, subdivision 9; 290.92, subdivision 20; 290.9705, subdivision 1; 290A.02; 290A.03, subdivisions 3, 6, 8, 12, 13, 15, as amended, by adding a subdivision; 290A.04, subdivisions 1, 2, 2h, 4, 5; 290A.05; 290A.07, subdivision 2a; 290A.08; 290A.09; 290A.091; 290A.13; 290A.19; 290A.25; 290B.03, subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 291.005, subdivision 1, as amended; 295.50, subdivision 4; 296A.083, subdivision 3; 297A.61, subdivision 29, by adding subdivisions; 297A.67, subdivisions 2, 7, 9; 297A.68, subdivisions 4, 25; 297A.70, subdivisions 2, 4, 18, 19; 297E.02, subdivision 6; 297E.021, subdivision 4; 297H.13, subdivision 2; 297I.20, subdivision 4; 298.015; 298.018, subdivisions 1, 1a; 298.28, subdivisions 5, 7a, by adding a subdivision; 298.296, subdivision 4; 299C.76, subdivisions 1, 2; 327C.02, subdivision 5; 349.11; 349.12, subdivisions 12b, 12c, by adding a subdivision; 366.095, subdivision 1; 373.01, subdivision 3; 383B.117, subdivision 2; 410.32; 412.301; 462A.05, subdivision 24; 462A.38; 469.033, subdivision 6; 469.053, subdivisions 4, 6; 469.107, subdivision 1; 469.174, subdivision 14, by adding a subdivision; 469.175, subdivision 6; 469.176, subdivisions 3, 4; 469.1761, subdivision 1; 469.1763, subdivisions 2, 3, 4, 6; 469.1771, subdivisions 2, 2a, 3; 474A.02, subdivisions 22b, 23a; 475.54, subdivision 1; 477A.011, subdivision 34, by adding subdivisions; 477A.0124, subdivision 2; 477A.013, subdivisions 8, 9; 477A.03, subdivisions 2a, 2b, by adding a subdivision; 477A.12, subdivisions 1, 3, by adding a subdivision; 477A.30; 477B.01, subdivisions 5, 10, 11, by adding subdivisions; 477B.02, subdivisions 2, 3, 5, 8, 9, 10, by adding a subdivision; 477B.03, subdivisions 2, 3, 4, 5, 7; 477B.04, subdivision 1, by adding a subdivision; 477C.02, subdivision 4; 477C.03, subdivisions 2, 5; 477C.04, by adding a subdivision; 514.972, subdivision 5; Laws 1971, chapter 773, section 1, subdivision 2, as amended; Laws 1980, chapter 511, sections 1, subdivision 2, as amended; 2, as amended; Laws 2006, chapter 259, article 11, section 3, as amended; Laws 2008, chapter 366, article 5, sections 26, as amended; 36, subdivisions 1, 3, as amended; article 7, section 17; article 17, section 6; Laws 2014, chapter 308, article 6, section 12, subdivision 2; Laws 2023, chapter 1, section 15; proposing coding for new law in Minnesota Statutes, chapters 16A; 181; 290; 477A; proposing coding for new law as Minnesota Statutes, chapter 428B; repealing Minnesota Statutes 2022, sections 270A.04, subdivision 5; 290.01, subdivision 19i; 290.0131, subdivision 18; 290.0132, subdivision 33; 290A.03, subdivisions 9, 11; 290A.04, subdivision 2a; 290A.23, subdivision 1; 477A.011, subdivisions 30a, 38, 42, 45;

477A.013, subdivision 13; 477A.16, subdivisions 1, 2, 3; 477B.02, subdivision 4; 477B.03, subdivision 6.

Senator Rest moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 2, line 45, after "paragraph" insert "(c)."

Page 2, delete line 46

Page 7, line 12, delete "2024" and insert "2023" and delete "are" and insert "is" and delete "are" and insert "is"

Page 7, line 13, delete "2023" and insert "2022"

Page 13, line 9, delete "amount" and insert "amounts"

Page 17, line 12, delete "2022" and insert "2023"

Page 23, line 15, delete "paragraphs (i) and (j)" and insert "paragraph (i). The income of a resident qualifying owner of a qualifying entity that is a partnership or limited liability company taxed as a partnership under the Internal Revenue Code is not subject to allocation outside this state as provided for resident individuals under section 290.17, subdivision 1, paragraph (a). The income of a nonresident qualifying owner of a qualifying entity and the income of a resident qualifying owner of a qualifying entity that is an S corporation, including a qualified subchapter S subsidiary organized under section 1361(b)(3)(B) of the Internal Revenue Code, are allocated and assigned to this state as provided for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20"

Page 30, delete lines 7 to 15

Page 31, line 13, delete everything after "under" and insert "paragraph (e)."

Page 31, line 15, delete "(e) to (h)" and insert "(c) and (d)"

Page 39, line 22, delete "paragraphs" and insert "paragraph" and delete "and (c)"

Page 39, line 28, delete "paragraph (b)" and insert "subdivision 1a"

Page 41, delete subdivision 6

Page 41, line 1, delete "Identifying information required" and insert "Special rules" and delete "(a) No credit is allowed for any amount"

Page 41, delete lines 2 to 7

Page 41, line 8, delete "(b)" and delete "rule" and insert "rules" and delete "21(e)(10)" and insert "21(e)" and delete "applies" and insert "apply"

Page 41, line 24, delete "sections" and insert "section" and delete "and 21(e)(6)"

Page 52, line 20, before "For" insert "(a)"

Page 52, after line 21, insert:

"(b) "Liability for tax" means the sum of the tax imposed under section 290.06, subdivisions 1 and 2c, for the taxable year, reduced by the sum of the nonrefundable credits allowed under this chapter, for all of the entities required to be included on the combined report of the unitary business."

Page 52, line 22, delete "An entity" and insert "A taxpayer that is a corporation, partner in a partnership, or shareholder in a corporation treated as an S corporation under section 290.9725"

Page 52, line 24, delete "An entity" and insert "A taxpayer"

Page 56, line 19, delete "(c)" and insert "(d)"

Page 57, line 2, delete "(b)" and insert "(a)"

Page 59, line 5, delete "1" and insert "2, paragraph (e), clause (2)"

Page 61, line 13, before "and" insert "34,"

Page 67, line 31, delete everything after "(i)" and insert "\$100,000 for married taxpayers filing a joint return, heads of household, and surviving spouses; or (ii) \$50,000 for all other filers; or"

Page 68, delete lines 1 and 2

Page 119, line 28, after "identify" insert "not more than"

Page 149, line 10, delete the second "in" and insert "for projects under"

Page 152, line 2, delete the second "in" and insert "for projects under"

Page 153, line 2, delete the second "in" and insert "for projects under"

Page 155, lines 18 and 22, before the period, insert ", and before July 1, 2027"

Page 155, line 20, delete the second "in" and insert "for projects under"

Page 159, line 11, delete the second "in" and insert "for projects under"

Page 201, line 3, delete "2" and insert "2b"

Page 227, line 3, delete everything after "tax" and insert a comma

Page 227, line 4, delete "paying debt service on bonds issued" and after "\$44,000,000" insert a comma

Page 227, line 5, after "costs" insert a comma

Page 265, after line 22, insert:

"Sec. 12. Minnesota Statutes 2022, section 473.39, subdivision 6, is amended to read:

Subd. 6. **Limitation; light rail transit.** The council is prohibited from expending any proceeds from certificates of indebtedness, bonds, or other obligations under subdivisions 1u ~~and~~, 1w, and 1x for project development, land acquisition, or construction to (1) establish a light rail transit line; or (2) expand a light rail transit line, including by extending a line or adding additional stops.

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

Page 276, after line 24, insert:

"Sec. 3. **[240A.15] AMATEUR SPORTS ACCOUNT.**

An amateur sports account is established in the special revenue fund. Money in the account, including interest, is appropriated to the commission for the promotion and development of amateur sports as provided in section 240A.04. Money in the account does not cancel and is available until spent.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 4. Minnesota Statutes 2022, section 270C.19, subdivision 1, is amended to read:

Subdivision 1. **Taxes paid by Indians.** (a) Notwithstanding any other law which limits the refund of tax, the commissioner is authorized to enter into a tax refund agreement with the governing body of any federally recognized Indian reservation Tribe in Minnesota.

(b) The agreement may provide for:

(1) a mutually agreed-upon amount as a refund to the governing body of an estimate of any sales or excise tax paid by the total resident Indian population on or adjacent to a reservation into the state treasury; Tribal members on transactions occurring on the reservation or on transactions that would occur on the reservation if there was no agreement; or

(2) ~~for an amount which measures the economic value of an agreement by the Tribal government to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation, notwithstanding any other law which limits the refundment of taxes. The total resident Indian population on or adjacent to a reservation shall be defined according to the United States Department of the Interior, Bureau of Indian Affairs, as determined and stated in its Report on Service Population and Labor Force.~~

(c) For purposes of this section, "Tribal members" means the number of enrolled members of the Tribe who live on or adjacent to the reservation as defined in the agreement.

(d) In arriving at the refund amount, the commissioner must consider the number of Tribal members as most recently submitted by the Tribe to the commissioner, estimates contained in the tax incidence report under section 270C.13, and any other information available to the commissioner.

EFFECTIVE DATE. This section is effective retroactively for agreements entered into or amended after December 31, 2022."

Page 326, delete section 1

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Johnson	Maye Quade	Rasmusson
Anderson	Eichorn	Klein	McEwen	Rest
Bahr	Farnsworth	Koran	Miller	Seeberger
Boldon	Fateh	Kreun	Mitchell	Utke
Carlson	Frentz	Kunesh	Mohamed	Weber
Champion	Green	Kupec	Morrison	Wesenberg
Coleman	Gruenhagen	Lang	Nelson	Westlin
Cwodzinski	Gustafson	Latz	Oumou Verbeten	Westrom
Dahms	Hauschild	Lieske	Pappas	Wiklund
Dibble	Hawj	Limmer	Pha	Xiong
Dornink	Hoffman	Lucero	Port	
Draheim	Housley	Mann	Pratt	
Drazkowski	Howe	Marty	Putnam	
Duckworth	Jasinski	Mathews	Rarick	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senator: Dziedzic.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Anderson, Howe, and Lang.

The motion prevailed. So the amendment was adopted.

Senator Rest moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 329, after line 31, insert:

"ARTICLE 18

GRANTS MANAGEMENT

Section 1. **FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY RECIPIENTS.**

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

(b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

(c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

Subd. 2. **Financial information required; determination of ability to perform.** Before an agency awards a competitive, legislatively named, single-source, or sole-source grant, the agency must assess the risk that a grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information:

(1) the grantee's history of performing duties similar to those required by the grant, whether the size of the grant requires the grantee to perform services at a significantly increased scale, and whether the size of the grant will require significant changes to the operation of the grantee's organization;

(2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ filed with the Internal Revenue Service in each of the prior three years. If the grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must instead submit the grantee's most recent board-reviewed financial statements and documentation of internal controls;

(3) for a for-profit business, three years of federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have three years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee has appropriate internal financial controls;

(4) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent financial audit performed by an independent third party in accordance with generally accepted accounting principles; and

(6) certification, provided by the grantee, that none of its principals have been convicted of a financial crime.

Subd. 3. **Additional measures for some grantees.** The agency may require additional information and must provide enhanced oversight for grants that have not previously received state or federal grants for similar amounts or similar duties and so have not yet demonstrated the ability to perform the duties required under the grant on the scale required.

Subd. 4. **Assistance from administration.** An agency without adequate resources or experience to perform obligations under this section may contract with the commissioner of administration to perform the agency's duties under this section.

Subd. 5. **Agency authority to not award grant.** If an agency determines that there is an appreciable risk that a grantee receiving a competitive, single-source, or sole-source grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee and the commissioner of administration and give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must not award the grant.

Subd. 6. **Legislatively named grantees.** If an agency determines that there is an appreciable risk that a grantee receiving a legislatively named grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee, the commissioner of administration, and the chair and ranking minority members of the Ways and Means Committee in the house of representatives, the chair and ranking minority members of the Finance Committee in the senate, and the chairs and ranking minority members of the committees in the house of representatives and the senate with primary jurisdiction over the bill in which the money for the grant was appropriated. The agency must give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must delay award of the grant until adjournment of the next regular or special legislative session.

Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to other organizations to perform duties required under the grant agreement, the agency must be a party to agreements between the grantee and a subgrantee. Before entering agreements for subgrants, the agency must perform the financial review required under this section with respect to the subgrantees.

Subd. 8. **Effect.** The requirements of this section are in addition to other requirements imposed by law; the commissioner of administration under Minnesota Statutes, sections 16B.97 and 16B.98; or agency grant policy."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Kupec moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 34, after line 7, insert:

"Sec. 25. **[290.033] NET INVESTMENT INCOME TAX.**

(a) For purposes of this section, "net investment income" has the meaning given in section 1411(c) of the Internal Revenue Code.

(b) In addition to the tax computed under section 290.06, subdivision 2c, a tax is imposed on the net investment income of individuals, estates, and trusts in excess of \$250,000 at a rate of 2.1 percent.

(c) For an individual who is not a Minnesota resident for the entire taxable year, the tax under this subdivision must be calculated as if the individual is a Minnesota resident for the entire year, and that amount must be multiplied by a fraction in which:

(1) the numerator is net investment income allocable under section 290.17 to Minnesota; and

(2) the denominator is the total amount of net investment income for the taxable year.

(d) For an estate or trust, the tax on net investment income must be computed by multiplying the net investment income tax liability by a fraction, the numerator of which is the amount of the estate or trust's net investment income allocated to the state pursuant to the provisions of sections 290.17, 290.191, and 290.20, and the denominator of which is the taxpayer's total net investment income.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Kupec moved to amend the Kupec amendment to H.F. No. 1938 as follows:

Page 1, after line 3, insert:

"Page 31, delete section 21 and insert:

"Sec. 21. Minnesota Statutes 2022, section 290.0132, subdivision 26, is amended to read:

Subd. 26. **Social Security benefits.** ~~(a) A portion~~ The amount of taxable Social Security benefits received by a taxpayer in the taxable year is allowed as a subtraction. The subtraction equals the lesser of taxable Social Security benefits or a maximum subtraction subject to the limits under paragraphs (b), (c), and (d).

~~(b) For married taxpayers filing a joint return and surviving spouses, the maximum subtraction equals \$5,150. The maximum subtraction is reduced by 20 percent of provisional income over \$78,180. In no case is the subtraction less than zero.~~

~~(c) For single or head of household taxpayers, the maximum subtraction equals \$4,020. The maximum subtraction is reduced by 20 percent of provisional income over \$61,080. In no case is the subtraction less than zero.~~

~~(d) For married taxpayers filing separate returns, the maximum subtraction equals one-half the maximum subtraction for joint returns under paragraph (b). The maximum subtraction is reduced by 20 percent of provisional income over one-half the threshold amount specified in paragraph (b). In no case is the subtraction less than zero.~~

~~(e) For purposes of this subdivision, "provisional income" means modified adjusted gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of the taxable Social Security benefits received during the taxable year, and "Social Security benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.~~

~~(f) The commissioner shall adjust the maximum subtraction and threshold amounts in paragraphs (b) to (d) as provided in section 270C.22. The statutory year is taxable year 2019. The maximum subtraction and threshold amounts as adjusted must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10 amount.~~

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.""

The question was taken on the adoption of the Kupec amendment to the Kupec amendment.

The roll was called, and there were yeas 52 and nays 13, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Howe	Mathews	Seeberger
Anderson	Dziedzic	Jasinski	Miller	Utke
Bahr	Eichorn	Johnson	Mitchell	Weber
Carlson	Farnsworth	Koran	Morrison	Wesenberg
Coleman	Frentz	Kreun	Nelson	Westlin
Cwodzinski	Green	Kupec	Pha	Westrom
Dahms	Gruenhagen	Lang	Port	Wicklund
Dibble	Gustafson	Latz	Pratt	Xiong
Dornink	Hauschild	Lieske	Putnam	
Draheim	Hoffman	Limmer	Rarick	
Drazkowski	Housley	Lucero	Rasmusson	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senator: Dziedzic.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

Those who voted in the negative were:

Boldon	Hawj	Marty	Mohamed	Pappas
Champion	Kunesh	Maye Quade	Murphy	
Fateh	Mann	McEwen	Oumou Verbeten	

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

Senator Drazkowski moved to amend the first Kupec amendment to H.F. No. 1938, as follows:

Page 1, line 9, after "trusts" insert "in Hennepin and Ramsey counties"

The question was taken on the adoption of the Drazkowski amendment to the first Kupec amendment.

The roll was called, and there were yeas 32 and nays 35, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Lucero	Utke
Anderson	Duckworth	Jasinski	Mathews	Weber
Bahr	Eichorn	Johnson	Miller	Wesenberg
Coleman	Farnsworth	Koran	Nelson	Westrom
Dahms	Green	Kreun	Pratt	
Dornink	Gruenhagen	Lang	Rarick	
Draheim	Housley	Lieske	Rasmusson	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mitchell	Port
Carlson	Gustafson	Latz	Mohamed	Putnam
Champion	Hauschild	Limmer	Morrison	Rest
Cwodzinski	Hawj	Mann	Murphy	Seeberger
Dibble	Hoffman	Marty	Oumou Verbeten	Westlin
Dziedzic	Klein	Maye Quade	Pappas	Wiklund
Fateh	Kunesh	McEwen	Pha	Xiong

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senator: Dziedzic.

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

Pursuant to Rule 7.4, Senator Pratt questioned whether the Kupec amendment, as amended, was in order. The President ruled the amendment, as amended, was in order.

The question recurred on the adoption of the first Kupec amendment, as amended.

The roll was called, and there were yeas 21 and nays 46, as follows:

Those who voted in the affirmative were:

Carlson	Gustafson	Maye Quade	Port	Xiong
Champion	Hauschild	Mitchell	Putnam	
Cwodzinski	Hoffman	Mohamed	Seeberger	
Dibble	Kupec	Oumou Verbeten	Westlin	
Dziedzic	Latz	Pha	Wiklund	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic and Maye Quade.

Those who voted in the negative were:

Abeler	Eichorn	Johnson	Marty	Rasmusson
Anderson	Farnsworth	Klein	Mathews	Rest
Bahr	Fateh	Koran	McEwen	Utke
Boldon	Frentz	Kreun	Miller	Weber
Coleman	Green	Kunesh	Morrison	Wesenberg
Dahms	Gruenhagen	Lang	Murphy	Westrom
Dornink	Hawj	Lieske	Nelson	
Draheim	Housley	Limmer	Pappas	
Drazkowski	Howe	Lucero	Pratt	
Duckworth	Jasinski	Mann	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

The motion did not prevail. So the first Kupec amendment, as amended, was not adopted.

Senator Putnam moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 7, line 8, delete the new language and insert "\$6,500,000 for taxable years beginning after December 31, 2022, and before January 1, 2024, and \$4,000,000 for taxable years beginning after December 31, 2023"

The motion prevailed. So the amendment was adopted.

Senator Miller moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 273, after line 2, insert:

"Section 1. Minnesota Statutes 2022, section 16A.152, is amended by adding a subdivision to read:

Subd. 1c. **Transfer to Minnesota refund account.** If, on the basis of a November forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted general fund balance at the close of the biennium and that the provisions of subdivision 2, paragraph (a), are satisfied, the commissioner shall transfer to the Minnesota refund account in the special revenue fund 75 percent of the positive unrestricted general fund balance remaining after the provisions of subdivision 1b have been satisfied.

EFFECTIVE DATE. This section is effective July 1, 2023."

Page 279, after line 28, insert:

"Sec. 7. **[297J.01] MINNESOTA REFUND PROGRAM; STATEMENT OF PURPOSE.**

(a) The state of Minnesota derives revenues from a variety of taxes, fees, and other sources, including the state sales tax.

(b) It is fair and reasonable to refund certain state budget surplus amounts in the form of a Minnesota refund program refund of nonbusiness consumer sales taxes paid by individuals in previous calendar years.

(c) Information concerning the amount of sales tax paid at various income levels is contained in the Minnesota tax incidence report, which is written by the commissioner of revenue and presented to the legislature according to section 270C.13.

(d) It is fair and reasonable to use information contained in the most recent Minnesota tax incidence report to determine a reasonable amount of a sales tax refund due to each eligible taxpayer since no effective or practical mechanism exists for determining the amount of actual sales tax paid by each eligible individual.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 8. **[297J.02] DEFINITIONS.**

Subdivision 1. **Applicability.** The following terms when used in this chapter have the meanings given in this section.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of revenue.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 9. **[297J.03] MINNESOTA REFUND ACCOUNT; APPROPRIATION.**

Subdivision 1. **Account established.** The Minnesota refund account is established in the special revenue fund to receive amounts transferred under section 16A.152, subdivision 1c.

Subd. 2. **Legislative enactment; certification.** (a) On March 1, 2024, and annually thereafter, the commissioner of revenue must certify to the commissioner of management and budget whether one or more qualifying bills have, in total, reduced net general fund tax revenues in the current or proximate biennium by an amount estimated to be at least equal to the greater of:

(1) the most recent estimated cost of paying minimum sales tax refunds as reported under section 297J.05, paragraph (b); or

(2) the balance of the Minnesota refund account as reported in the most recent November forecast of general fund revenues and expenditures, after any transfer required under section 16A.152, subdivision 1c.

(b) For the purposes of this subdivision, "qualifying bill" means a bill that is enacted before March 1, 2024, but after the preceding November forecast of general fund revenues and expenditures and annually thereafter.

Subd. 3. **Conditional transfer.** On March 2, 2024, and annually thereafter, if the commissioner of revenue's most recent certification under subdivision 2 indicates that the conditions of subdivision 2, paragraph (a), have been satisfied, the commissioner of management and budget must transfer any remaining balance in the Minnesota refund account to the general fund.

Subd. 4. **Conditional appropriation.** (a) On March 2, 2024, and annually thereafter, the amount in the Minnesota refund account is appropriated to the commissioner to pay the sales tax refunds authorized under this chapter and for administrative costs authorized under paragraph (b), if:

(1) the balance of the Minnesota refund account as reported in the most recent November forecast of general fund revenues and expenditures, after any transfer required under section 16A.152, subdivision 1c, is at least equal to 105 percent of the most recent estimated cost of minimum refunds as reported under section 297J.05, paragraph (b); and

(2) the commissioner's most recent certification under subdivision 2 indicates that the conditions of subdivision 2, paragraph (a), have not been satisfied.

(b) The commissioner may retain up to \$..... from the amount appropriated under this subdivision to pay the costs of administering the refunds under this chapter.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 10. **[297J.04] REFUNDS AUTHORIZED.**

Subdivision 1. **Sales tax refunds.** When money is appropriated under section 297J.03 for the purpose of paying sales tax refunds, the commissioner must determine eligibility and pay the sales tax refunds as provided in this section.

Subd. 2. **Eligibility; amount of refund.** (a) An individual qualifies for a sales tax refund if the individual is a United States citizen and:

(1) was a resident of Minnesota for all or part of the previous calendar year and filed a Minnesota income tax return on or before October 15 in the year that the return was originally due, had a tax liability before refundable credits on that return of at least \$1, and was not allowed to be claimed as a dependent on a federal income tax return filed by another person for the same taxable year; or

(2) was a resident of Minnesota for all of the previous calendar year, was not eligible for a refund under clause (1), attained the age of 18 on or before December 31 of the previous calendar year, and received Social Security benefits as defined in section 86(d)(1) of the Internal Revenue Code in the previous calendar year.

(b) Except as provided under paragraph (c), the sales tax refund allowed under paragraph (a) equals:

(1) \$500 for married joint filers; and

(2) \$250 for all other filers.

(c) If the amount appropriated for sales tax refunds under this chapter, after subtracting any administrative expense allowed, exceeds the amount necessary to pay the minimum refund amounts under paragraph (b), the commissioner must proportionately increase the refund amounts to a level that would refund the entire amount appropriated.

(d) For an individual who was a resident of Minnesota for less than the entire year, the sales tax refund equals the sales tax refund calculated under paragraph (b) multiplied by the percentage determined under section 290.06, subdivision 2c, paragraph (e), as calculated on the individual's most recent income tax return, including subsequent adjustments to that return made within the time limits specified in subdivision 3, paragraph (b).

Subd. 3. **Payment of refund; other requirements.** (a) The commissioner must issue sales tax refunds as soon as possible following the appropriation of money under section 297J.03.

(b) The refund must not be adjusted based on changes to an income tax return that are: (1) made by order of assessment after the date the refund is processed; or (2) made by the taxpayer by a filing with the commissioner after the date the refund is processed.

(c) Individuals who filed a joint income tax return for the most recent calendar year must receive a joint sales tax refund under the provisions of this paragraph. After the sales tax refund has been issued, but before the check has been cashed if the refund is issued by check, either joint claimant may request a separate payment for one-half of the joint sales tax refund. The amount payable to each person equals one-half of the total joint refund. Notwithstanding any provision in this section

to the contrary, if, prior to payment of the refund, the commissioner has been notified that taxpayers who filed a joint income tax return are living at separate addresses, the commissioner may issue separate checks to each individual listed on the joint return.

(d) The sales tax refund is a Minnesota tax law for purposes of section 270B.01, subdivision 8.

(e) The sales tax refund is an overpayment of any tax collected by the commissioner for purposes of section 270C.64. For purposes of this paragraph, a joint sales tax refund is payable to each spouse equally.

(f) The right to a sales tax refund lapses and the refund check must be deposited in the Minnesota refund account in the special revenue fund if the commissioner:

(1) cannot locate an individual entitled to a sales tax refund under subdivision 2 within one year of the date of issuance of the refund check; or

(2) if an individual to whom a sales tax refund was issued has not cashed the refund check within one year of the date of issuance of the refund check.

(g) Individuals who are entitled to a sales tax refund but did not receive one and individuals who receive a sales tax refund that was not correctly calculated must file a claim with the commissioner in a form prescribed by the commissioner. A claim made under this paragraph is a claim for refund under section 289A.50, subdivisions 4 and 7. Individuals entitled to a sales tax refund must file the claim by July 1 of the calendar year in which money is appropriated to pay sales tax refunds.

(h) The sales tax refund is a refund subject to revenue recapture under chapter 270A. The commissioner shall remit the entire refund to the claimant agency, which shall, upon the request of the spouse who does not owe the debt, refund one-half of the joint sales tax refund to the spouse who does not owe the debt.

(i) The refund is a reduction of current fiscal year sales tax revenues.

(j) If a sales tax refund issued by check is cashed by someone other than the payee or payees of the check, and the commissioner determines that the check has been forged or improperly endorsed, the commissioner may issue an order of assessment for the amount of the check against the person or persons cashing it. If a sales tax refund issued by debit card is stolen or otherwise used by someone other than the payee or payees of the debit card, and the commissioner determines that the debit card has been improperly used as tender, the commissioner may issue an order of assessment for the amount of the debit card against the person or persons using it. The commissioner must make the assessment within two years after the check is cashed or debit card is used, but if cashing the check or using the debit card constitutes theft under section 609.52, or forgery under section 609.63, the commissioner may make the assessment. A person issued an assessment may appeal the assessment under chapter 14 or may seek judicial review. The commissioner may take action to collect the assessment in the same manner as provided by chapter 289A for any other order of the commissioner assessing tax.

(k) If the commissioner determines that a refund was issued under this section to an ineligible individual, the commissioner must issue an order of assessment to the individual receiving the refund

for the amount of the refund payment. The order must be made within two years after the date of the issuance or six years after the date of the refund payment in the case of fraud. The audit, assessment, appeal, collection, enforcement, and administrative provisions of chapters 270C and 289A apply to the orders issued under this section.

(l) Notwithstanding sections 9.031, 16A.40, and 16B.49, and any other law to the contrary, the commissioner may take whatever actions the commissioner deems necessary to pay the refunds required by this section, including issuance of debit cards or checks. The commissioner may, in consultation with the commissioner of management and budget, contract with a private vendor or vendors to process, print, and mail debit cards, checks, or warrants required under this section and receive and disburse state funds to pay debit cards, checks, or warrants.

(m) The commissioner may pay refunds by electronic funds transfer to individuals who requested that the income tax refund, if any, attributable to their most recently filed individual income tax return be paid through electronic funds transfer. The commissioner may make the electronic funds transfer payments to the same financial institution and into the same account as the individual income tax refund.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 11. **[297J.05] REPORTS REQUIRED.**

(a) Within 15 months of the issuance of refunds under this chapter, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes, the senate Finance Committee, and the house of representatives Ways and Means Committee on the payments issued under this chapter. The reports must comply with sections 3.195 and 3.197.

(b) On November 1, 2023, and annually thereafter, the commissioner of revenue must report to the commissioner of management and budget and to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes, the senate Finance Committee, and the house of representatives Ways and Means Committee the amount equal to the current estimated cost of paying sales tax refunds at the minimum amounts indicated under section 297J.04, subdivision 2, paragraph (b), to all eligible recipients, including the administrative costs authorized under section 297J.03, based on the most recent information available to the commissioner. The report must comply with sections 3.195 and 3.197.

EFFECTIVE DATE. This section is effective July 1, 2023."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Senator Rest imposed a call of the Senate for the balance of the proceedings on H.F. No. 1938. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on adoption of the Miller amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic and Maye Quade.

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

Senator Drazkowski moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 34, after line 7, insert:

"Sec. 25. Minnesota Statutes 2022, section 290.06, subdivision 2c, as amended by Laws 2023, chapter 1, section 15, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$38,770, 5.35 percent;
- (2) On all over \$38,770, but not over \$154,020, 6.8 percent;
- (3) On all over \$154,020, but not over \$269,010, 7.85 percent;
- (4) On all over \$269,010, 9.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts after the adjustment required in subdivision 2d.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$26,520, 5.35 percent;
- (2) On all over \$26,520, but not over \$87,110, 6.8 percent;
- (3) On all over \$87,110, but not over \$161,720, 7.85 percent;
- (4) On all over \$161,720, 9.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$32,650, 5.35 percent;
- (2) On all over \$32,650, but not over \$131,190, 6.8 percent;
- (3) On all over \$131,190, but not over \$214,980, 7.85 percent;
- (4) On all over \$214,980, 9.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and 17, and 290.0137, paragraph (a); and reduced by

(ii) the Minnesota assignable portion of the subtraction for United States government interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132, subdivisions 9, 10, 14, 15, 17, 18, 27, and 31, and 290.0137, paragraph (c), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code, increased by:

(i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, and 17, and 290.0137, paragraph (a); and reduced by

(ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, 27, and 31, and 290.0137, paragraph (c).

(f) If an individual who is not a Minnesota resident for the entire year is a qualifying owner of a qualifying entity that elects to pay tax as provided in section 289A.08, subdivision 7a, paragraph (b), the individual must compute the individual's Minnesota income tax as provided in paragraph (e), and also must include, to the extent attributed to the electing qualifying entity:

(1) in paragraph (e), clause (1), item (i), and paragraph (e), clause (2), item (i), the addition under section 290.0131, subdivision 5; and

(2) in paragraph (e), clause (1), item (ii), and paragraph (e), clause (2), item (ii), the subtraction under section 290.0132, subdivision 3.

(g) For taxable years beginning after December 31, 2023, passage of any law to increase the rates under this subdivision requires the vote of at least two-thirds of the members of each house of the legislature.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

Those who voted in the negative were:

Boldon	Fateh	Klein	Maye Quade	Oumou Verbeten
Carlson	Frentz	Kunesh	McEwen	Pappas
Champion	Gustafson	Kupec	Mitchell	Pha
Cwodzinski	Hauschild	Latz	Mohamed	Port
Dibble	Hawj	Mann	Morrison	Putnam
Dziedzic	Hoffman	Marty	Murphy	Rest

Seeberger

Westlin

Wiklund

Xiong

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic and Maye Quade.

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

Senator Housley moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 55, delete subdivision 4

Pursuant to Rule 7.4, Senator Rest questioned whether the Housley amendment was in order. The President ruled the amendment was out of order.

Senator Coleman moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 13, after line 26, insert:

"(f) Notwithstanding the \$9,950,000 limit on allocation of certificates in paragraph (c), the sum of the increase in fiscal years 2024 and 2025 in the amount of credits claimed relative to the February 2023 forecast base due to changes to the limit in paragraph (c) may not exceed \$4,640,000, and the sum of the increase in fiscal years 2026 and 2027 in the amount of credits claimed relative to the February 2023 forecast base due to changes to the limit in paragraph (c) may not exceed \$6,600,000. The commissioner must adjust the amount of allocation certificates issued under paragraph (c) for purposes of complying with this paragraph."

Senator Coleman moved to amend the Coleman amendment to H.F. No. 1938 as follows:

Page 1, after line 12, insert:

"Page 142, after line 3, insert:

"Sec. 2. Minnesota Statutes 2022, section 297A.67, subdivision 9, is amended to read:

Subd. 9. **Baby products.** Breast pumps, baby bottles and nipples, pacifiers, teething rings, ~~and~~ infant syringes, baby wipes, cribs and bassinets, crib and bassinet mattresses, crib and bassinet sheets, changing tables, changing pads, strollers, car seats and car seat bases, baby swings, bottle sterilizers, and infant eating utensils are exempt.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023."

Page 148, after line 17, insert:

"Sec. 12. **SALES TAX HOLIDAY; SCHOOL SUPPLIES.**

(a) The tax imposed under Minnesota Statutes, chapter 297A, may not be collected during the period from 12:01 a.m. on August 15, 2023, through 11:59 p.m. on August 21, 2023, on the retail sale of the following:

- (1) book bags having a retail price of \$60 or less; and
- (2) school supplies having a retail price of \$15 or less per item.

(b) For the purposes of this section, school supplies includes binders, calculators, cellophane tape, blackboard chalk, compasses, composition books, crayons, erasers, folders, glue, paste, glue sticks, highlighters, index cards, index card boxes, legal pads, lunch boxes, markers, notebooks, poster board, construction paper, graph paper, tracing paper, manila paper, copy paper, loose-leaf ruled paper, colored paper, pencil boxes, school supply boxes, pencil sharpeners, pencils, pens, protractors, rulers, scissors, and writing tablets.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly"

Senator Rest requested division on the Coleman amendment to the Coleman amendment as follows:

First portion:

Page 1, after line 12, insert:

"Page 142, after line 3, insert:

"Sec. 2. Minnesota Statutes 2022, section 297A.67, subdivision 9, is amended to read:

Subd. 9. **Baby products.** Breast pumps, baby bottles and nipples, pacifiers, teething rings, ~~and~~ infant syringes, baby wipes, cribs and bassinets, crib and bassinet mattresses, crib and bassinet sheets, changing tables, changing pads, strollers, car seats and car seat bases, baby swings, bottle sterilizers, and infant eating utensils are exempt.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly"

The question was taken on the adoption of the first portion of the Coleman amendment to the Coleman amendment.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Johnson	Maye Quade	Rarick
Anderson	Eichorn	Klein	McEwen	Rasmusson
Bahr	Farnsworth	Koran	Miller	Rest
Boldon	Fateh	Kreun	Mitchell	Seeberger
Carlson	Frentz	Kunesh	Mohamed	Utke
Champion	Green	Kupec	Morrison	Weber
Coleman	Gruenhagen	Lang	Murphy	Wesenberg
Cwodzinski	Gustafson	Latz	Nelson	Westlin
Dahms	Hauschild	Lieske	Oumou Verbeten	Westrom
Dibble	Hawj	Limmer	Pappas	Wiklund
Dornink	Hoffman	Lucero	Pha	Xiong
Draheim	Housley	Mann	Port	
Drazkowski	Howe	Marty	Pratt	
Duckworth	Jasinski	Mathews	Putnam	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic and Maye Quade.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

The motion prevailed. So the first portion of the amendment to the amendment was adopted.

Second portion:

Page 1, after line 12, insert:

"Page 148, after line 17, insert:

"Sec. 12. **SALES TAX HOLIDAY; SCHOOL SUPPLIES.**

(a) The tax imposed under Minnesota Statutes, chapter 297A, may not be collected during the period from 12:01 a.m. on August 15, 2023, through 11:59 p.m. on August 21, 2023, on the retail sale of the following:

(1) book bags having a retail price of \$60 or less; and

(2) school supplies having a retail price of \$15 or less per item.

(b) For the purposes of this section, school supplies includes binders, calculators, cellophane tape, blackboard chalk, compasses, composition books, crayons, erasers, folders, glue, paste, glue sticks, highlighters, index cards, index card boxes, legal pads, lunch boxes, markers, notebooks, poster board, construction paper, graph paper, tracing paper, manila paper, copy paper, loose-leaf ruled paper, colored paper, pencil boxes, school supply boxes, pencil sharpeners, pencils, pens, protractors, rulers, scissors, and writing tablets.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly"

The question was taken on the adoption of the second portion of the Coleman amendment to the Coleman amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic and Maye Quade.

The motion did not prevail. So the second portion of the amendment to the amendment was not adopted.

Senator Rest moved to amend the first Coleman amendment to H.F. No. 1938 as follows:

Page 1, line 8, delete "\$4,640,000" and insert "\$5,800,000"

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

The question recurred on the adoption of the first Coleman amendment, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Johnson	Maye Quade	Rarick
Anderson	Eichorn	Klein	McEwen	Rasmusson
Bahr	Farnsworth	Koran	Miller	Rest
Boldon	Fateh	Kreun	Mitchell	Seeberger
Carlson	Frentz	Kunesh	Mohamed	Utke
Champion	Green	Kupec	Morrison	Weber
Coleman	Gruenhagen	Lang	Murphy	Wesenberg
Cwodzinski	Gustafson	Latz	Nelson	Westlin
Dahms	Hauschild	Lieske	Oumou Verbeten	Westrom
Dibble	Hawj	Limmer	Pappas	Wiklund
Dornink	Hoffman	Lucero	Pha	Xiong
Draheim	Housley	Mann	Port	
Drazkowski	Howe	Marty	Pratt	
Duckworth	Jasinski	Mathews	Putnam	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic and Maye Quade.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

The motion prevailed. So the first Coleman amendment, as amended, was adopted.

Senator Lucero moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 111, line 14, delete "\$517,200" and insert "\$650,000"

Page 111, line 15, delete "\$38,000" and insert "\$49,950"

Page 111, line 16, delete "\$517,200" and insert "\$650,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Wesenberg
Coleman	Farnsworth	Koran	Miller	Westrom
Dahms	Green	Kreun	Nelson	
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Rest
Carlson	Gustafson	Latz	Morrison	Seeberger
Champion	Hauschild	Mann	Murphy	Weber
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Port	Xiong
Fateh	Kunesh	Mitchell	Putnam	

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic and Maye Quade.

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

Senator Weber moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 33, delete section 23

Page 34, delete section 24

Page 62, delete section 41

Page 64, delete section 42

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 7.4, Senator Dibble questioned whether the Weber amendment was in order. The President ruled the amendment was out of order.

Senator Nelson moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 21, after line 17, insert:

"Sec. 14. Minnesota Statutes 2022, section 289A.08, is amended by adding a subdivision to read:

Subd. 3a. **Corporations; worldwide reporting.** (a) A corporation that is subject to the state's jurisdiction to tax under section 290.014, subdivision 5, must file a return, and, in the case of a unitary business, may elect to report and pay taxes on combined worldwide income as provided in section 290.17, subdivisions 4 and 4a. The provisions of paragraphs (b) to (e) apply to corporations making the election as allowed under this paragraph.

(b) A unitary business electing to report combined worldwide income must make the election for the taxable year in the form and manner prescribed by the commissioner. The election is binding for that taxable year and applies to any amended returns for that taxable year.

(c) Members of a unitary business that are required to file a combined report on one return must designate a member of the unitary business to be responsible for tax matters, including the filing of returns, the payment of taxes, additions to tax, penalties, interest, or any other payment, and for the receipt of refunds of taxes or interest paid in excess of taxes lawfully due. The designated member must be a member of the unitary business that is filing the single combined report and either:

(1) a corporation that is subject to the taxes imposed by chapter 290; or

(2) a corporation that is not subject to the taxes imposed by chapter 290:

(i) such corporation consents by filing the return as a designated member under this clause to remit taxes, penalties, interest, or additions to tax due from the members of the unitary business subject to tax, and receive refunds or other payments on behalf of other members of the unitary business. The member designated under this clause is a "taxpayer" for the purposes of this chapter

and chapter 270C, and is liable for any liability imposed on the unitary business under this chapter and chapter 290;

(ii) if the state does not otherwise have the jurisdiction to tax the member designated under this clause, consenting to be the designated member does not create the jurisdiction to impose tax on the designated member, other than as described in item (i); and

(iii) the member designated under this clause must apply for a business tax account identification number.

(d) The commissioner shall adopt rules for the filing of one return on behalf of the members of an affiliated group of corporations that are required to file a combined report. All members of an affiliated group that are required to file a combined report must file one return on behalf of the members of the group under rules adopted by the commissioner.

(e) If a corporation claims on a return that it has paid tax in excess of the amount of taxes lawfully due, that corporation must include on that return information necessary for payment of the tax in excess of the amount lawfully due by electronic means."

Page 33, line 30, before the period, insert ", if the unitary business has made the election under section 289A.08, subdivision 3a"

Page 34, line 5, before the period, insert ", if the unitary business has made the election under section 289A.08, subdivision 3a"

Page 62, line 4, delete "worldwide" and after "income" insert ", or, if the business has made the elections under section 289A.08, subdivision 3a, the entire worldwide income"

Page 62, line 32, reinstate the stricken language and after "(f)" insert "Except for a unitary business that has made the election under section 289A.08, subdivision 3a,"

Page 63, lines 1 to 9, reinstate the stricken language

Page 63, line 10, reinstate the stricken language and delete the new language

Page 63, line 12, after "included" insert ":(1)" and reinstate the stricken "only" and delete "and foreign"

Page 63, line 13, delete "and foreign"

Page 63, lines 14 to 20, reinstate the stricken language

Page 63, line 21, reinstate the stricken language and delete the new language and insert "; and (2) for a unitary business that has made the election under section 289A.08, subdivision 3a, the income and apportionment factors of domestic and foreign corporations or other domestic and foreign entities that are determined to be part of the unitary business pursuant to this subdivision, and for foreign corporations and other foreign"

Page 63, lines 25 and 27, reinstate the stricken language and delete the new language

Page 63, line 31, reinstate the stricken "(g)"

Page 63, line 32, delete "(f)"

Page 64, lines 3 and 10, reinstate the stricken language and delete the new language

Page 64, line 19, after "entity" insert "that has made the election under section 289A.08, subdivision 3a,"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 7.4, Senator Klein questioned whether the Nelson amendment was in order. The President ruled the amendment was out of order.

Senator Nelson appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Abeler	Fateh	Kunesh	Mitchell	Port
Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic and Maye Quade.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senator: Abeler.

Those who voted in the negative were:

Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	
Drazkowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Anderson, Howe, Lang, and Lieske.

So the decision of the President was sustained.

Senator Hoffman moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 96, line 27, before "Low" insert "(a)"

Page 97, after line 9, insert:

"(b) An applicant claiming the valuation under this section must certify to the Housing Finance Agency that the applicant will not increase rents by more than three percent on any unit in the rental property during the 12-month period beginning the day the applicant applies for certification and ending on the last day of the taxable year that the applicant is entitled to the valuation under this section."

Page 97, line 10, before "The" insert "(c)"

Page 119, after line 14, insert:

"Sec. 37. Minnesota Statutes 2022, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) An issuer may only use the proceeds from residential rental bonds if the proposed project meets the following requirements:

(1) the proposed residential rental project meets the requirements of section 142(d) of the Internal Revenue Code regarding the incomes of the occupants of the housing; ~~and~~

(2) the maximum rent for at least 20 percent of the units in the proposed residential rental project do not exceed the area fair market rent or exception fair market rents for existing housing, if applicable, as established by the federal Department of Housing and Urban Development. The rental rates of units in a residential rental project for which project-based federal assistance payments are made are deemed to be within the rent limitations of this clause; and

(3) the rents at the proposed residential rental project are not increased more than three percent during any 12-month period.

(b) The proceeds from residential rental bonds may be used for a project for which project-based federal rental assistance payments are made only if:

(1) the owner of the project enters into a binding agreement with the Minnesota Housing Finance Agency under which the owner is obligated to extend any existing low-income affordability restrictions and any contract or agreement for rental assistance payments for the maximum term permitted, including any renewals thereof; and

(2) the Minnesota Housing Finance Agency certifies that project reserves will be maintained at closing of the bond issue and budgeted in future years at the lesser of:

(i) the level described in Minnesota Rules, part 4900.0010, subpart 7, item A, subitem (2), effective May 1, 1997; or

(ii) the level of project reserves available prior to the bond issue, provided that additional money is available to accomplish repairs and replacements needed at the time of bond issue."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rasmusson questioned whether the amendment was germane.

The President ruled that the amendment was germane.

Senator Hoffman withdrew his amendment.

Senator Utke moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 271, line 32, delete "\$15,700,000" and insert "\$10,700,000"

Senator Utke moved to amend the Utke amendment to H.F. No. 1938 as follows:

Page 1, after line 3, insert:

"Page 120, after line 20, insert:

"Sec. 2. Minnesota Statutes 2022, section 469.169, is amended by adding a subdivision to read:

Subd. 22. **Additional border city allocations.** (a) In addition to the tax reductions authorized in subdivisions 12 to 21, the commissioner shall allocate \$5,000,000 in fiscal year 2023 only for tax reductions to border city enterprise zones in cities located on the western border of the state. The commissioner shall allocate this amount on or before June 30, 2023, among cities on a per capita basis. Allocations made under this subdivision may be used for tax reductions under sections 469.171, 469.1732, and 469.1734, or for other offsets of taxes imposed on or remitted by businesses located in the enterprise zone as provided by law, but only if the municipality determines that the granting of the tax reduction or offset is necessary to retain a business within or attract a business to the zone.

(b) The allocations under this subdivision do not cancel or expire, but remain available until used by the city.

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

Senator Rest questioned whether the Utke amendment to the Utke amendment was germane.

The President ruled that the Utke amendment to the Utke amendment was not germane.

Senator Rasmusson appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Maye Quade, and Port.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

So the decision of the President was sustained.

Senator Utke withdrew his first amendment.

Senator Drazkowski moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 137, line 19, delete "to provide public safety, including but not limited to training programs" and insert "for:"

Page 137, delete lines 20 and 21 and insert:

"(1) law enforcement agency recruitment, hiring, and retention of peace officers, as defined by Minnesota Statutes section 626.84, subdivision 1;

(2) peace officer training mandated under Minnesota Statutes, chapter 626, and drug recognition expert training;

(3) other personnel hired by law enforcement agencies;

(4) public safety equipment costs; or

(5) mental health support for law enforcement agency personnel."

Senator Drazkowski moved to amend the third Drazkowski amendment to H.F. No. 1938 as follows:

Page 1, after line 13, insert:

"Page 137, after line 28 insert:

"(d) A county, Tribal government, or local unit is not eligible for aid under this section if the county, Tribal government, or local unit reduced funding for peace officers in the preceding four calendar years."

The question was taken on the adoption of the Drazkowski amendment to the third Drazkowski amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	
Drazkowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Anderson, Howe, Lang, and Lieske.

Those who voted in the negative were:

Abeler	Fateh	Kunesh	Mohamed	Putnam
Boldon	Frentz	Kupec	Morrison	Rest
Carlson	Gustafson	Mann	Murphy	Seeberger
Champion	Hauschild	Marty	Oumou Verbeten	Westlin
Cwodzinski	Hawj	Maye Quade	Pappas	Wiklund
Dibble	Hoffman	McEwen	Pha	Xiong
Dziedzic	Klein	Mitchell	Port	

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic, Maye Quade, and Port.

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senator: Abeler.

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

The question was taken on the adoption of the third Drazkowski amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic, Frentz, Maye Quade, and Port.

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

Senator Nelson moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 279, after line 15, insert:

"Sec. 5. Minnesota Statutes 2022, section 297E.02, subdivision 6, is amended to read:

Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under subdivision 1, a tax is imposed on the combined net receipts of the organization. As used in this section, "combined net receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles, and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for the fiscal year. The combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the fiscal year are:	The tax is:
Not over \$87,500	nine <u>seven</u> percent
Over \$87,500, but not over \$122,500	\$7,875 <u>\$6,125</u> plus 18 <u>15</u> percent of the amount over \$87,500, but not over \$122,500
Over \$122,500, but not over \$157,500	\$14,175 <u>\$11,375</u> plus 27 <u>22</u> percent of the amount over \$122,500, but not over \$157,500
Over \$157,500	\$23,625 <u>\$19,075</u> plus 36 <u>30</u> percent of the amount over \$157,500

(b) Gross receipts derived from sports-themed tipboards are exempt from taxation under this section. For purposes of this paragraph, a sports-themed tipboard means a sports-themed tipboard as defined in section 349.12, subdivision 34, under which the winning numbers are determined by the numerical outcome of a professional sporting event.

EFFECTIVE DATE. This section is effective for games reported as played after June 30, 2023.

Sec. 6. Minnesota Statutes 2022, section 297E.021, subdivision 2, is amended to read:

Subd. 2. **Determination of revenue increase.** By March 15 of each fiscal year, the commissioner of management and budget, in consultation with the commissioner, shall determine the estimated increase in revenues received from taxes imposed under this chapter over ~~the estimated revenues under the February 2012 state budget forecast for that fiscal year.~~ For fiscal years after fiscal year 2015, the commissioner of management and budget shall use the February 2012 state budget forecast for fiscal year 2015 as the a baseline of: (1) \$..... in fiscal year 2024; (2) \$..... in fiscal year 2025; and (3) \$..... in fiscal year 2026 and thereafter. All calculations under this subdivision must be made net of estimated refunds of the taxes required to be paid.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 7.4, Senator Rest questioned whether the Nelson amendment was in order. The President ruled the amendment was out of order.

Senator Nelson appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Frentz, Gustafson, Maye Quade, Port, and Seeberger.

Those who voted in the negative were:

Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	
Drazkowski	Howe	Limmer	Rasmusson	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Anderson, Howe, Lang, and Lieske.

So the decision of the President was sustained.

Senator Jasinski moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 201, line 22, after "improvements" insert ", provided that any plan adopted by the city for street improvements must include a specific plan for annual pothole repair and maintenance"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic, Frentz, Gustafson, Maye Quade, Port, and Seeberger.

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

Senator Drazkowski moved to amend H.F. No. 1938, as amended pursuant to Rule 45, adopted by the Senate May 1, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 1811.)

Page 142, line 6, before "Secure" insert "(a)"

Page 142, after line 12, insert:

"(b) The seller of a secure firearm storage unit must neither collect, nor transmit to any private or public entity, any personal data of or information about a purchaser resulting from a sale eligible for the exemption under this subdivision."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Howe	Marty	Pratt
Anderson	Dziedzic	Jasinski	Mathews	Putnam
Bahr	Eichorn	Johnson	Maye Quade	Rarick
Boldon	Farnsworth	Klein	McEwen	Rasmusson
Carlson	Fateh	Koran	Miller	Rest
Champion	Frentz	Kreun	Mitchell	Seeberger
Coleman	Green	Kunesh	Mohamed	Utke
Cwodzinski	Gruenhagen	Kupec	Morrison	Weber
Dahms	Gustafson	Lang	Murphy	Wesenberg
Dibble	Hauschild	Lieske	Nelson	Westlin
Dornink	Hawj	Limmer	Oumou Verbeten	Westrom
Draheim	Hoffman	Lucero	Pha	Wiklund
Drazkowski	Housley	Mann	Port	Xiong

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Frentz, Gustafson, Maye Quade, Port, and Seeberger.

Pursuant to Rule 40, Senator Rasmusson cast the affirmative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

The motion prevailed. So the amendment was adopted.

H.F. No. 1938 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Gustafson, Maye Quade, Port, and Seeberger.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Rasmusson
Anderson	Duckworth	Jasinski	Lucero	Utke
Bahr	Eichorn	Johnson	Mathews	Weber
Coleman	Farnsworth	Koran	Miller	Wesenberg
Dahms	Green	Kreun	Nelson	Westrom
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rarick	

Pursuant to Rule 40, Senator Rasmusson cast the negative vote on behalf of the following Senators: Abeler, Anderson, Howe, Lang, and Lieske.

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

MEMBERS EXCUSED

Senators Klein and Rest were excused from the Session of today from 2:35 to 2:45 p.m. Senator Latz was excused from the Session of today from 6:55 to 7:10 p.m.

ADJOURNMENT

Senator Frenz moved that the Senate do now adjourn until 11:00 a.m., Wednesday, May 3, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate