

## STATE OF MINNESOTA

## EIGHTY-SIXTH SESSION — 2009

## THIRTEENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 19, 2009

The House of Representatives convened at 10:30 a.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by Dr. David Hoffman, St. Philip the Deacon Lutheran Church, Plymouth, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Benson, Brod and Doty were excused.

Anderson, B., and Thissen were excused until 11:00 a.m. Dittrich was excused until 11:05 a.m. Greiling was excused until 12:05 p.m.

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

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Hilstrom from the Committee on Public Safety Policy and Oversight to which was referred:

H. F. No. 45, A bill for an act relating to crimes; providing penalty for careless driving resulting in death; providing for revocation of violator's driver's license; amending Minnesota Statutes 2008, sections 169.13, by adding a subdivision; 171.17, subdivision 1; 171.30, subdivision 2a.

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

The report was adopted.

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

H. F. No. 117, A bill for an act relating to state government finance; providing deficiency funding for certain state agencies; appropriating money.

Reported the same back with the following amendments:

Page 2, after line 12, insert:

"Sec. 4. **BALANCE CARRIED FORWARD.**

Notwithstanding Minnesota Statutes, section 16A.152, subdivision 2, any positive unrestricted general fund balance on June 30, 2009, is carried forward in the general fund to fiscal year 2010."

Page 2, line 14, delete "3" and insert "4"

Renumber the sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

Thissen from the Committee on Health Care and Human Services Policy and Oversight to which was referred:

H. F. No. 161, A bill for an act relating to health; establishing a medical response unit reimbursement pilot program; funding emergency medical services programs; appropriating money.

Reported the same back with the following amendments:

Page 1, delete lines 7 to 23 and insert:

"(a) The Department of Public Safety or its contract designee shall collaborate with the Minnesota Ambulance Association to create the parameters of the medical response unit reimbursement pilot program, including determining criteria for baseline data reporting.

(b) In conducting the pilot program, the Department of Public Safety must consult with the Minnesota Ambulance Association, Minnesota Fire Chiefs Association, Emergency Services Regulatory Board, and the Minnesota Council of Health Plans to:

(1) identify no more than five medical response units registered as medical response units with the Minnesota Emergency Medical Services Regulatory Board according to Minnesota Statutes, chapter 144E, to participate in the program;

(2) outline and develop criteria for reimbursement;

(3) determine the amount of reimbursement for each unit response; and

(4) collect program data to be analyzed for a final report.

(c) Further criteria for the medical response unit reimbursement pilot program shall include:

(1) the pilot program will expire on December 31, 2010, or when the appropriation is extended, whichever occurs first;

(2) a report shall be made to the legislature by March 1, 2011, by the Department of Public Safety or its contractor as to the effectiveness and value of this reimbursement pilot program to the emergency medical services delivery system, any actual or potential savings to the health care system, and impact on patient outcomes;

(3) participating medical response units must adhere to the requirements of this pilot program outlined in an agreement between the Department of Public Safety and the medical response unit, including but not limited to, requirements relating to data collection, response criteria, and patient outcomes and disposition;

(4) individual entities licensed to provide ambulance care under Minnesota Statutes, chapter 144E, are not eligible for participation in this pilot program;

(5) if a participating medical response unit withdraws from the pilot program, the Department of Public Safety in consultation with the Minnesota Ambulance Association may choose another pilot site if funding is available;

(6) medical response units must coordinate their operations under this pilot project with the ambulance service or services licensed to provide care in their first response geographic areas;

(7) licensed ambulance services that participate with the medical response unit in the pilot program assume no financial or legal liability for the actions of the participating medical response unit; and

(8) the Department of Public Safety and its pilot program partners have no ongoing responsibility to reimburse medical response units beyond the parameters of the pilot program."

Page 2, delete lines 1 to 12

Page 2, line 16, delete "\$800,000" and insert "\$400,000"

Page 2, line 21, before "144E.50" insert "section"

Page 2, line 32, delete "\$100,000" and insert "\$25,000"

Page 3, delete subdivision 5 and insert:

"Subd. 5. **Medical response unit reimbursement pilot program.** (a) For fiscal year 2010, \$250,000 is appropriated from the Cooper/Sams volunteer ambulance trust, formerly known as ambulance service personnel longevity award incentive trust, to the Department of Public Safety for a medical response unit reimbursement pilot program. Of this appropriation, \$75,000 is for administrative costs to the Department of Public Safety, including providing contract staff support and technical assistance to the pilot program partners if necessary.

(b) Of the appropriation in paragraph (a), \$175,000 is to the Department of Public Safety to be used to provide a predetermined reimbursement amount to the participating medical response units. The Department of Public Safety or its contract designee will develop an agreement with the medical response units outlining reimbursement and program requirements to include HIPPA compliance while participating in the pilot program."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety Policy and Oversight.

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 166, A bill for an act relating to consumer protection; prohibiting retail sales of toys that have been recalled for safety reasons; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[325F.135] UNSAFE RECALLED TOYS; PROHIBITION ON SALE.**

(a) No commercial retailer shall sell in this state a toy that the commercial retailer knows at the time of the sale has been recalled for any safety-related reason by an agency of the federal government or by the toy's manufacturer, wholesaler, distributor, or importer.

(b) For purposes of this section, "toy" means an item designed primarily for the purpose of play activity by children under the age of 12 years and "recalled" excludes corrective actions that involve safety alerts, parts replacement, or consumer repairs.

(c) This section shall be enforced under sections 325F.14 to 325F.16.

**EFFECTIVE DATE.** This section is effective August 1, 2009."

With the recommendation that when so amended the bill pass.

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 208, A bill for an act relating to creditors' remedies; changing the type of mailed notification to secured creditors required in connection with foreclosure of a mechanics lien on a motor vehicle; amending Minnesota Statutes 2008, section 514.20.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 217, A bill for an act relating to the taxation of agricultural property; modifying the Minnesota agricultural property tax law; amending Minnesota Statutes 2008, section 273.111, subdivisions 3, 3a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 273.111, subdivision 3, is amended to read:

Subd. 3. **Requirements.** (a) Real estate consisting of ten acres or more ~~or a nursery or greenhouse~~, and qualifying for classification as ~~class 2a~~ an agricultural homestead under section 273.13, ~~or a nursery or greenhouse~~, shall be entitled to valuation and tax deferral under this section if it is primarily devoted to agricultural use and produced, or normally would have produced, \$1,000 of agricultural products in the previous year, as defined in section 273.13, subdivision 23, and either:

(1) is the homestead of the owner, or of a surviving spouse, child, or sibling of the owner or is real estate which is farmed with the real estate which contains the homestead property; or

~~(2) has been in possession of the applicant, the applicant's spouse, parent, or sibling, or any combination thereof, for a period of at least seven years prior to application for benefits under the provisions of this section, or is real estate which is farmed with the real estate which qualifies under this clause and is within four townships or cities or combination thereof from the qualifying real estate; or~~

~~(3)~~ (3) is the homestead of an individual who is part of an entity described in paragraph ~~(b)~~ (c), clause (1), (2), or (3); or

~~(4)~~ (3) is in the possession of a nursery or greenhouse or an entity owned by a proprietor, partnership, or corporation which also owns the nursery or greenhouse operations on the parcel or parcels, provided that only the acres used to produce nursery stock qualify for treatment under this section.

(b) If an agricultural homestead includes property classified as 2b under section 273.13, subdivision 23, the class 2b acreage under enrollment must be less than one-half of the total acreage under enrollment.

~~(b)~~ (c) Valuation of real estate under this section is limited to parcels owned by individuals except for:

(1) a family farm entity or authorized farm entity regulated under section 500.24;

(2) a poultry entity other than a limited liability entity in which the majority of the members, partners, or shareholders are related and at least one of the members, partners, or shareholders either resides on the land or actively operates the land; and

(3) corporations that derive 80 percent or more of their gross receipts from the wholesale or retail sale of horticultural or nursery stock.

The terms in this paragraph have the meanings given in section 500.24, where applicable.

~~(e)~~ (d) Land that previously qualified for tax deferral under this section and no longer qualifies because it is not primarily used for agricultural purposes but would otherwise qualify under Minnesota Statutes 2006, section 273.111, subdivision 3, for a period of at least three years will not be required to make payment of the previously deferred taxes, notwithstanding the provisions of subdivision 9. Sale of the land prior to the expiration of the three-year period requires payment of deferred taxes as follows: sale in the year the land no longer qualifies requires

payment of the current year's deferred taxes plus payment of deferred taxes for the two prior years; sale during the second year the land no longer qualifies requires payment of the current year's deferred taxes plus payment of the deferred taxes for the prior year; and sale during the third year the land no longer qualifies requires payment of the current year's deferred taxes. Deferred taxes shall be paid even if the land qualifies pursuant to subdivision 11a. When such property is sold or no longer qualifies under this paragraph, or at the end of the three-year period, whichever comes first, all deferred special assessments plus interest are payable in equal installments spread over the time remaining until the last maturity date of the bonds issued to finance the improvement for which the assessments were levied. If the bonds have matured, the deferred special assessments plus interest are payable within 90 days. The provisions of section 429.061, subdivision 2, apply to the collection of these installments. Penalties are not imposed on any such special assessments if timely paid.

~~(d) (e)~~ Land that is enrolled in the reinvest in Minnesota program under sections 103F.501 to 103F.535, the federal Conservation Reserve Program as contained in Public Law 99-198, or a similar state or federal conservation program does ~~not~~ qualify for valuation and assessment deferral under this section. ~~This paragraph applies to land that has not qualified under this section for taxes payable in 2009 or previous years.~~

**EFFECTIVE DATE.** This section is effective for enrollment applications filed after May 1, 2009, and for taxes payable in 2011 and thereafter.

Sec. 2. Minnesota Statutes 2008, section 273.111, subdivision 3a, is amended to read:

Subd. 3a. **Property no longer eligible for deferment under 2008 and 2009 law changes.** (a) Real estate receiving the tax deferment under this section for assessment year 2008, but that ~~does not qualify for the 2009 assessment year due to changes in qualification requirements under Laws 2008, chapter 366, is not classified as class 2a in a subsequent assessment year,~~ shall continue to qualify ~~until any part of the land is sold, transferred, or subdivided,~~ provided that the property continues to meet the requirements of Minnesota Statutes 2006, section 273.111, subdivision 3.

~~(b) When property assessed under this subdivision is withdrawn from the program or becomes ineligible, the property shall be subject to additional taxes, in the amount equal to the average difference between the taxes determined in accordance with subdivision 4, and the amount determined under subdivision 5, for the current year and the two preceding years, multiplied by (1) three, in the case of class 2a property under section 273.13, subdivision 23, or any property withdrawn before January 2, 2009, or (2) seven, in the case of property withdrawn after January 2, 2009, that is not class 2a property. The number of years used as the multiplier must not exceed the number of years during which the property was subject to this section. The amount determined under subdivision 5 shall not be greater than it would have been had the actual bona fide sale price of the real property at an arm's-length transaction been used in lieu of the market value determined under subdivision 5. The additional taxes shall be extended against the property on the tax list for the current year, provided that no interest or penalties shall be levied on the additional taxes if timely paid.~~

~~(b) Real estate receiving the tax deferment under this section for assessment year 2009, but that would not qualify in a future year due to changes in qualification requirements under section 1, shall continue to qualify provided that the property continues to meet the requirements of Minnesota Statutes 2008, section 273.111, subdivision 3.~~

**EFFECTIVE DATE.** This section is effective for taxes payable in 2010 and thereafter.

Sec. 3. Minnesota Statutes 2008, section 273.13, subdivision 23, is amended to read:

Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class 2a land under the same ownership. The market value of the house and garage and immediately surrounding one acre of land has the same class rates as class 1a or 1b property under subdivision 22. The value of the remaining land including improvements up to the first tier

valuation limit of agricultural homestead property has a net class rate of 0.5 percent of market value. The remaining property over the first tier has a class rate of one percent of market value. For purposes of this subdivision, the "first tier valuation limit of agricultural homestead property" and "first tier" means the limit certified under section 273.11, subdivision 23.

(b) Class 2a agricultural land consists of parcels of property, or portions thereof, that are agricultural land and buildings. Class 2a property has a net class rate of one percent of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a ~~property may contain~~ include property that ~~would otherwise be classified as 2b~~ is not directly involved in agricultural production, including but not limited to sloughs, wooded wind shelters, acreage abutting ditches, and other similar land that is interspersed with productive agricultural land such that it would be impractical for the property to be sold separately, and therefore impractical for the assessor to value separately from the rest of the property.

An assessor may classify the part of a parcel described in this subdivision that is used for agricultural purposes as class 2a and the remainder in the class appropriate to its use.

(c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that are unplatted real estate, rural in character and not used for agricultural purposes, including land used for growing trees for timber, lumber, and wood and wood products, that is not improved with a structure. The presence of a minor, ancillary nonresidential structure as defined by the commissioner of revenue does not disqualify the property from classification under this paragraph. Any parcel of 20 acres or more improved with a structure that is not a minor, ancillary nonresidential structure must be split-classified, and ten acres must be assigned to the split parcel containing the structure. Class 2b property has a net class rate of one percent of market value unless it is part of an agricultural homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

(d) Class 2c managed forest land consists of no less than 20 and no more than 1,920 acres statewide per taxpayer that is being managed under a forest management plan that meets the requirements of chapter 290C, but is not enrolled in the sustainable forest resource management incentive program. It has a class rate of .65 percent, provided that the owner of the property must apply to the assessor to receive the reduced class rate and provide the information required by the assessor to verify that the property qualifies for the reduced rate. The commissioner of natural resources must concur that the land is qualified. The commissioner of natural resources shall annually provide county assessors verification information on a timely basis.

(e) Agricultural land as used in this section means contiguous acreage of ten acres or more, used during the preceding year for agricultural purposes. "Agricultural purposes" as used in this section means the raising, cultivation, drying, or storage of agricultural products for sale, or the storage of machinery or equipment used in support of agricultural production by the same farm entity. For a property to be classified as agricultural based only on the drying or storage of agricultural products, the products being dried or stored must have been produced by the same farm entity as the entity operating the drying or storage facility. "Agricultural purposes" also includes enrollment in the Reinvest in Minnesota program under sections 103F.501 to 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198 or a similar state or federal conservation program if the property was classified as agricultural (i) under this subdivision for the assessment year 2002 or (ii) in the year prior to its enrollment. Agricultural classification shall not be based upon the market value of any residential structures on the parcel or contiguous parcels under the same ownership.

(f) Real estate of less than ten acres, which is exclusively or intensively used for raising or cultivating agricultural products, shall be considered as agricultural land. To qualify under this paragraph, property that includes a residential structure must be used intensively for one of the following purposes:

(i) for drying or storage of grain or storage of machinery or equipment used to support agricultural activities on other parcels of property operated by the same farming entity;

(ii) as a nursery, provided that only those acres used to produce nursery stock are considered agricultural land;

(iii) for livestock or poultry confinement, provided that land that is used only for pasturing and grazing does not qualify; or

(iv) for market farming; for purposes of this paragraph, "market farming" means the cultivation of one or more fruits or vegetables or production of animal or other agricultural products for sale to local markets by the farmer or an organization with which the farmer is affiliated.

(g) Land shall be classified as agricultural even if all or a portion of the agricultural use of that property is the leasing to, or use by another person for agricultural purposes.

Classification under this subdivision is not determinative for qualifying under section 273.111.

(h) The property classification under this section supersedes, for property tax purposes only, any locally administered agricultural policies or land use restrictions that define minimum or maximum farm acreage.

(i) The term "agricultural products" as used in this subdivision includes production for sale of:

(1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner;

(2) fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use;

(3) the commercial boarding of horses ~~if the boarding is done in conjunction with raising or cultivating agricultural products as defined in clause (1);~~

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing;

(5) game birds and waterfowl bred and raised for use on a shooting preserve licensed under section 97A.115;

(6) insects primarily bred to be used as food for animals;

(7) trees, grown for sale as a crop, including short rotation woody crops, ~~and not sold for timber, lumber, wood, or wood products;~~ and

(8) maple syrup taken from trees grown by a person licensed by the Minnesota Department of Agriculture under chapter 28A as a food processor.

(j) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

(1) wholesale and retail sales;

(2) processing of raw agricultural products or other goods;

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3),

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

(k) Class 2d airport landing area consists of a landing area or public access area of a privately owned public use airport. It has a class rate of one percent of market value. To qualify for classification under this paragraph, a privately owned public use airport must be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing area" means that part of a privately owned public use airport properly cleared, regularly maintained, and made available to the public for use by aircraft and includes runways, taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing area also includes land underlying both the primary surface and the approach surfaces that comply with all of the following:

(i) the land is properly cleared and regularly maintained for the primary purposes of the landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities for servicing, repair, or maintenance of aircraft is not included as a landing area;

(ii) the land is part of the airport property; and

(iii) the land is not used for commercial or residential purposes.

The land contained in a landing area under this paragraph must be described and certified by the commissioner of transportation. The certification is effective until it is modified, or until the airport or landing area no longer meets the requirements of this paragraph. For purposes of this paragraph, "public access area" means property used as an aircraft parking ramp, apron, or storage hangar, or an arrival and departure building in connection with the airport.

(l) Class 2e consists of land with a commercial aggregate deposit that is not actively being mined and is not otherwise classified as class 2a or 2b. It has a class rate of one percent of market value. To qualify for classification under this paragraph, the property must be at least ten contiguous acres in size and the owner of the property must record with the county recorder of the county in which the property is located an affidavit containing:

(1) a legal description of the property;

(2) a disclosure that the property contains a commercial aggregate deposit that is not actively being mined but is present on the entire parcel enrolled;

(3) documentation that the conditional use under the county or local zoning ordinance of this property is for mining; and

(4) documentation that a permit has been issued by the local unit of government or the mining activity is allowed under local ordinance. The disclosure must include a statement from a registered professional geologist, engineer, or soil scientist delineating the deposit and certifying that it is a commercial aggregate deposit.

For purposes of this section and section 273.1115, "commercial aggregate deposit" means a deposit that will yield crushed stone or sand and gravel that is suitable for use as a construction aggregate; and "actively mined" means the removal of top soil and overburden in preparation for excavation or excavation of a commercial deposit.

(m) When any portion of the property under this subdivision or subdivision 22 begins to be actively mined, the owner must file a supplemental affidavit within 60 days from the day any aggregate is removed stating the number of acres of the property that is actively being mined. The acres actively being mined must be (1) valued and classified under subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate resource preservation property tax program under section 273.1115, if the land was enrolled in that program. Copies of the original affidavit and all supplemental affidavits must be filed with the county assessor, the local zoning administrator, and the Department of Natural Resources, Division of Land and Minerals. A supplemental affidavit must be filed each time a subsequent portion of the property is actively mined, provided that the minimum acreage change is five acres, even if the actual mining activity constitutes less than five acres.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2010 and thereafter."

Delete the title and insert:

"A bill for an act relating to taxation; property; modifying agricultural property tax law; making changes to certain property classification requirements; amending Minnesota Statutes 2008, sections 273.111, subdivisions 3, 3a; 273.13, subdivision 23."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment Policy and Oversight.

The report was adopted.

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

H. F. No. 305, A bill for an act relating to local government; authorizing transfer of development credits banks for local governments; amending Minnesota Statutes 2008, sections 394.25, subdivision 2; 462.357, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 8, after the period, insert "In authorizing a nongovernmental entity to serve as the transfer of development credits bank, the county ordinance may not preclude private contracts between individuals or private business entities for the purchase, holding, and sale of development credits."

Page 2, line 31, after the period, insert "In authorizing a nongovernmental entity to serve as the transfer of development credits bank, the municipal ordinance may not preclude private contracts between individuals or private business entities for the purchase, holding, and sale of development credits."

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

The report was adopted.

Mariani from the Committee on K-12 Education Policy and Oversight to which was referred:

H. F. No. 314, A bill for an act relating to education; increasing the compulsory attendance age; amending Minnesota Statutes 2008, sections 120A.22, subdivisions 5, 6; 120A.24, subdivision 1; 260C.007, subdivision 19; repealing Minnesota Statutes 2008, section 120A.22, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 120A.22, subdivision 5, is amended to read:

Subd. 5. **Ages and terms.** (a) Every child between seven and ~~16~~ 18 years of age or until the child successfully completes the requirements for high school graduation, whichever comes first, must receive instruction. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction. Except as provided in subdivision 6, a parent may withdraw a child under the age of seven from enrollment at any time.

(b) A school district by annual board action may require children subject to this subdivision to receive instruction in summer school. A district that acts to require children to receive instruction in summer school shall establish at the time of its action the criteria for determining which children must receive instruction.

**EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and later.

Sec. 2. Minnesota Statutes 2008, section 120A.24, subdivision 1, is amended to read:

Subdivision 1. **Reports to superintendent.** The person in charge of providing instruction to a child between the ages of seven and 16 must submit the following information to the superintendent of the district in which the child resides:

(1) by October 1 of each school year, the name, birth date, and address of each child receiving instruction;

(2) the name of each instructor and evidence of compliance with one of the requirements specified in section 120A.22, subdivision 10;

(3) an annual instructional calendar; and

(4) for each child instructed by a parent who meets only the requirement of section 120A.22, subdivision 10, clause (6), a quarterly report card on the achievement of the child in each subject area required in section 120A.22, subdivision 9.

**EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and later.

Sec. 3. Minnesota Statutes 2008, section 260C.007, subdivision 19, is amended to read:

Subd. 19. **Habitual truant.** "Habitual truant" means a child under the age of ~~16~~ 18 years who is absent from attendance at school without lawful excuse for seven school days per school year if the child is in elementary school or for one or more class periods on seven school days per school year if the child is in middle school, junior high school, or high school, ~~or a child who is 16 or 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days and who has not lawfully withdrawn from school under section 120A.22, subdivision 8.~~

**EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and later.

Sec. 4. **REPEALER.**

Minnesota Statutes 2008, section 120A.22, subdivision 8, is repealed effective for the 2012-2013 school year and later."

Delete the title and insert:

"A bill for an act relating to education; increasing the compulsory attendance age; amending Minnesota Statutes 2008, sections 120A.22, subdivision 5; 120A.24, subdivision 1; 260C.007, subdivision 19; repealing Minnesota Statutes 2008, section 120A.22, subdivision 8."

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

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 332, A bill for an act relating to real property; making clarifying, technical, and conforming changes to transfer on death deeds; expanding common element certificates of title to include planned communities; exempting designated transfers from certain requirements; establishing procedures for cartways in cities; modifying power of attorney provision relating to real property transactions; amending Minnesota Statutes 2008, sections 272.115, subdivision 1, by adding a subdivision; 435.37, by adding a subdivision; 507.071, subdivision 20, by adding a subdivision; 507.092, subdivisions 1, 2; 508.351; 508.50; 508A.351; 508A.50; 523.17, by adding a subdivision.

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

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 417, A bill for an act relating to insurance; providing recovery of damages and attorney fees for breach of an insurance policy; amending Minnesota Statutes 2008, section 471.982, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Page 1, line 21, after "admitted" insert ", authorized, or licensed"

Page 2, line 1, delete "other damages" and insert "breach of insurance contract damages" and delete "or" and after "costs" insert ", or other remedies"

Page 2, delete lines 5 and 6

Page 2, line 7, delete "(2)" and insert "(1)"

Page 2, line 10, delete "(3)" and insert "(2) costs and disbursements plus" and delete "and costs"

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

The report was adopted.

Otremba from the Committee on Agriculture, Rural Economies and Veterans Affairs to which was referred:

H. F. No. 418, A bill for an act relating to noxious weeds; allowing municipalities to adopt ordinances for the eradication of buckthorn; amending Minnesota Statutes 2008, section 18.78, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 10, delete "eradicate" and insert "control"

Amend the title as follows:

Page 1, line 3, delete "eradication" and insert "control"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 497, A bill for an act relating to government data practices; authorizing access to certain firearm data by parole and probation authorities; amending Minnesota Statutes 2008, section 13.87, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Public Safety Policy and Oversight.

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 534, A bill for an act relating to insurance; authorizing and regulating the issuance of certificates of insurance; amending Minnesota Statutes 2008, section 60K.46, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Page 1, line 11, delete "Approval." and insert "Prohibition."

Page 1, line 14, delete everything before the period

Page 2, line 5, after "purporting" insert "that"

Page 2, delete lines 6 to 8

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

The report was adopted.

Eken from the Committee on Environment Policy and Oversight to which was referred:

H. F. No. 536, A bill for an act relating to waters; modifying local match requirements for certain grants; amending Minnesota Statutes 2008, section 103B.3369, subdivision 5.

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

The report was adopted.

Eken from the Committee on Environment Policy and Oversight to which was referred:

H. F. No. 591, A bill for an act relating to natural resources; modifying Reinvest in Minnesota Resources Law; amending Minnesota Statutes 2008, sections 84.66, subdivision 2; 103F.505; 103F.511, subdivisions 5, 8a, by adding a subdivision; 103F.515, subdivisions 1, 2, 4, 5, 6; 103F.521, subdivision 1; 103F.525; 103F.526; 103F.531; 103F.535, subdivision 5; repealing Minnesota Statutes 2008, sections 103F.511, subdivision 4; 103F.521, subdivision 2; 103F.535, subdivision 1; Minnesota Rules, parts 8400.3000; 8400.3030; 8400.3060; 8400.3110; 8400.3130; 8400.3160; 8400.3200; 8400.3210; 8400.3230; 8400.3260; 8400.3300; 8400.3330; 8400.3360; 8400.3390; 8400.3400; 8400.3460; 8400.3500; 8400.3530; 8400.3560; 8400.3600; 8400.3610; 8400.3630; 8400.3700; 8400.3730; 8400.3800; 8400.3830; 8400.3870; 8400.3930.

Reported the same back with the following amendments:

Page 3, line 17, before the period, insert "that is marginal in nature"

Page 4, line 12, after "except" insert a colon

Page 4, lines 13 and 14, delete the comma and insert a semicolon

Page 6, delete lines 1 to 3

Page 6, line 4, strike "(c)" and insert "(b)"

Page 6, line 6, strike "(d)" and insert "(c)"

Page 6, line 10, strike "(e)" and insert "(d)"

Page 7, delete section 17 and insert:

"Sec. 17. **REPEALER.**

(a) Minnesota Statutes 2008, sections 103F.511, subdivision 4; and 103F.521, subdivision 2, are repealed.

(b) Minnesota Rules, parts 8400.3000; 8400.3030; 8400.3060; 8400.3110; 8400.3130; 8400.3160; 8400.3200; 8400.3210; 8400.3230; 8400.3260; 8400.3300; 8400.3330; 8400.3360; 8400.3390; 8400.3400; 8400.3460; 8400.3500; 8400.3530; 8400.3560; 8400.3600; 8400.3610; 8400.3630; 8400.3700; 8400.3730; 8400.3800; 8400.3830; 8400.3870; and 8400.3930, are repealed."

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 644, A bill for an act relating to cities; authorizing a home rule charter or statutory city to adopt a program requiring certain hiring practices in city contracts; proposing coding for new law in Minnesota Statutes, chapter 471.

Reported the same back with the following amendments:

Page 1, delete section 1 and insert:

"Section 1. **[471.347] HIRING REQUIREMENTS AUTHORIZED IN CITY CONTRACTS.**

A statutory or home rule charter city may adopt an ordinance that requires city contracts for construction or services to require that city residents or low-income city residents make up a minimum number or percentage of the persons employed by the contractor in the performance of the contract. At a minimum, the ordinance must state the type of contracts covered, the minimum dollar amount of the contract to which the hiring requirement applies, a definition of low-income if the ordinance applies to hiring of low-income city residents, how the required number or percentage of persons employed may be calculated, and the extent to which the requirements may be met by existing employees of the contractor or new hires by the contractor. This section does not apply to contracts between the city and an exclusive representative of city employees."

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

The report was adopted.

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

H. F. No. 886, A bill for an act relating to the state budget; exempting allocation of general fund balance at end of fiscal year 2009.

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

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 117, 166, 332, 536, 591 and 886 were read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Eken and Beard introduced:

H. F. No. 912, A bill for an act relating to transportation; exempting certain cargo tank vehicles from weight restrictions on seasonally weight-restricted roads; amending Minnesota Statutes 2008, section 169.87, by adding a subdivision.

The bill was read for the first time and referred to the Transportation and Transit Policy and Oversight Division.

Pelowski introduced:

H. F. No. 913, A bill for an act relating to elections; removing certain unconstitutional provisions governing independent expenditures in political campaigns; changing timing and method of filing certain items with the Campaign Finance and Public Disclosure Board; amending Minnesota Statutes 2008, sections 10A.01, subdivision 18; 10A.04, subdivision 5; 10A.071, subdivision 3; 10A.08; 10A.09, subdivision 7; 10A.14, subdivisions 2, 4, by adding a subdivision; 10A.20, subdivisions 1, 12; 10A.31, subdivision 6, by adding a subdivision; 10A.322, subdivision 1; 10A.323; 10A.35; repealing Minnesota Statutes 2008, section 10A.20, subdivision 6b.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

Davnie, Paymar, Ward, Holberg, Thissen, Hoppe, Hansen, Hayden, Hilty, Mariani, Anzelc, Lanning, Johnson, Falk, Newton, Hornstein, Carlson, Sailer, Slocum, Wagenius, Fritz, Abeler, Simon, Hilstrom, Masin, Dittrich, Clark, Rosenthal, Hausman, Jackson, Sertich, Thao, Obermueller, Persell and Lesch introduced:

H. F. No. 914, A bill for an act relating to financial institutions; regulating payday lending; providing penalties and remedies; amending Minnesota Statutes 2008, section 47.60, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 47.

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

Thao, Norton, Mahoney and Rukavina introduced:

H. F. No. 915, A bill for an act relating to economic development; appropriating money from the workforce development fund for a grant to Lifetrack Resources.

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

Hausman, McNamara, Swails, Scalze and Wagenius introduced:

H. F. No. 916, A bill for an act relating to natural resources; prohibiting issuance of nonferrous metallic mineral mining permits under certain circumstances; defining financial assurance required for nonferrous metallic mineral mining; increasing civil penalty for nonferrous metallic mineral mining law violations; requiring rulemaking; amending Minnesota Statutes 2008, sections 93.481, subdivisions 1, 7, by adding subdivisions; 93.49; 93.51, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 93.

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

Jackson, Hilstrom, Laine, Abeler and Huntley introduced:

H. F. No. 917, A bill for an act relating to human services; allowing the Department of Human Services and a county agency direct access to Department of Corrections data for certain background studies conducted by a county agency; amending Minnesota Statutes 2008, sections 241.065, subdivision 2; 245C.08, subdivision 2.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Hausman and Howes introduced:

H. F. No. 918, A bill for an act relating to capital investment; amending certain general obligation bond sale provisions; amending Minnesota Statutes 2008, sections 16A.641, subdivisions 4, 7; 16A.66, subdivision 2.

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

Scalze, Hausman and Howes introduced:

H. F. No. 919, A bill for an act relating to capital investment; specifying information to be reported for local capital improvement requests; amending Minnesota Statutes 2008, section 16A.86, subdivision 2, by adding a subdivision; repealing Minnesota Statutes 2008, section 16A.86, subdivision 3.

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

Tillberry, Ward, Dettmer, Doepke, Brown, Morgan, Newton and Greiling introduced:

H. F. No. 920, A bill for an act relating to education; removing obsolete and unneeded mandates; amending Minnesota Statutes 2008, section 123B.143, subdivision 1; repealing Minnesota Statutes 2008, sections 120B.39; 122A.628; 122A.75.

The bill was read for the first time and referred to the Committee on K-12 Education Policy and Oversight.

Fritz, Ruud, Haws, Clark and Thissen introduced:

H. F. No. 921, A bill for an act relating to occupational safety and health; requiring safe patient handling plans in clinical settings; amending Minnesota Statutes 2008, sections 182.6551; 182.6552, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 182.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Nelson, Lanning, Hausman, Urdahl and Murphy, M., introduced:

H. F. No. 922, A bill for an act relating to capital improvements; appropriating money for rehabilitation of public housing; authorizing the sale and issuance of state bonds.

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

Carlson introduced:

H. F. No. 923, A bill for an act relating to property taxes; eliminating the one-year lag in determining fiscal disparities contribution net tax capacities and distribution levies; amending Minnesota Statutes 2008, sections 276A.04; 276A.05, subdivisions 1, 5; 276A.06, subdivisions 2, 3, 5; 473F.06; 473F.07, subdivisions 1, 5; 473F.08, subdivisions 2, 3, 5; repealing Minnesota Statutes 2008, sections 276A.06, subdivision 9; 473F.08, subdivision 8a.

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

Hackbarth, Dill, Anzelc and Doty introduced:

H. F. No. 924, A bill for an act relating to natural resources; renaming the Northshore Trail; amending Minnesota Statutes 2008, section 85.015, subdivision 13.

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

Sertich, Rukavina, Gunther and Mahoney introduced:

H. F. No. 925, A bill for an act relating to employment; expanding the official measure of unemployment.

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

Dill introduced:

H. F. No. 926, A bill for an act relating to state lands; authorizing public and private sales of certain tax-forfeited land that borders public waters in St. Louis County.

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

Mahoney, Obermueller, Nelson and Gottwalt introduced:

H. F. No. 927, A bill for an act relating to labor and industry; modifying construction codes and licensing; adding provisions relating to high pressure piping profession; modifying previous appropriations restrictions; extending authority to adopt rules for obtaining boiler licenses; requiring rulemaking; amending Minnesota Statutes 2008, sections 326B.082, subdivision 12; 326B.084; 326B.43, subdivision 1; 326B.435, subdivision 2; 326B.475, subdivision 6; 326B.52, subdivision 1; 326B.53; 326B.55, subdivision 1; 326B.59; 326B.801; 326B.921, subdivision 1, by adding a subdivision; Laws 2008, chapter 363, article 10, section 4, subdivision 1; repealing Minnesota Statutes 2008, section 326B.43, subdivision 5.

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

Hornstein introduced:

H. F. No. 928, A bill for an act relating to traffic regulation; prohibiting the use of wireless communications devices in Metropolitan Council public transit vehicles; proposing coding for new law in Minnesota Statutes, chapter 169.

The bill was read for the first time and referred to the Transportation and Transit Policy and Oversight Division.

Ruud introduced:

H. F. No. 929, A bill for an act relating to municipalities; authorizing the city of Minnetonka to establish street improvement districts and apportion street improvement fees within districts; requiring adoption of street improvement plan; authorizing collection of fees; proposing coding for new law in Minnesota Statutes, chapter 435.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

Wagenius introduced:

H. F. No. 930, A bill for an act relating to data practices; proposing classification of grants data created or maintained by government entities; proposing classification of regional parks foundation private donor gift data as private or nonpublic; amending Minnesota Statutes 2008, sections 13.599, subdivision 1; 13.792.

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

Hamilton introduced:

H. F. No. 931, A bill for an act relating to capital improvements; modifying an appropriation for the city of Worthington; amending Laws 2006, chapter 258, section 21, subdivision 6, as amended.

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

Bly, Hilty, Falk, Hornstein and Anzels introduced:

H. F. No. 932, A bill for an act relating to energy; establishing rate schedule for certain renewable energy projects; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Olin introduced:

H. F. No. 933, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land.

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

Loeffler, Thissen, Abeler, Hosch, Clark and Greiling introduced:

H. F. No. 934, A bill for an act relating to human services; modifying provisions related to children aging out of foster care; amending Minnesota Statutes 2008, section 256B.055, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Slocum and Mariani introduced:

H. F. No. 935, A bill for an act relating to education; modifying charter school provisions; amending Minnesota Statutes 2008, sections 124D.10; 124D.11, subdivision 9.

The bill was read for the first time and referred to the Committee on K-12 Education Policy and Oversight.

Thissen, Hosch, Otremba, Abeler and Gottwalt introduced:

H. F. No. 936, A bill for an act relating to human services; specifying criteria for communities for a lifetime; requiring the Minnesota Board on Aging and the commissioner of employment and economic development to develop recommendations on the designation of communities for a lifetime; requiring a report; amending Minnesota Statutes 2008, section 256.975, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Demmer, Smith and Drazkowski introduced:

H. F. No. 937, A bill for an act relating to taxation; job opportunity building zones; allowing amendments to agreements under certain circumstances; amending Minnesota Statutes 2008, section 469.3192.

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

Reinert and Tillberry introduced:

H. F. No. 938, A bill for an act relating to state employees; providing additional sick leave for state employees who are veterans with service-related disabilities; proposing coding for new law in Minnesota Statutes, chapter 43A.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

Mahoney, Gunther, Kelliher, Downey, Rukavina, Sertich and Anderson, S., introduced:

H. F. No. 939, A bill for an act relating to employment; appropriating money to job training programs.

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

Zellers, Hornstein, Smith, Nelson and Davnie introduced:

H. F. No. 940, A bill for an act relating to Hennepin County; modifying personnel rules and procedures; amending Minnesota Statutes 2008, sections 383B.27, subdivision 16; 383B.29, subdivision 2; 383B.31.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

Thissen and Kohls introduced:

H. F. No. 941, A bill for an act relating to civil actions; providing for interlocutory appeal on the question of class certification; proposing coding for new law in Minnesota Statutes, chapter 540.

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

Dauids introduced:

H. F. No. 942, A bill for an act relating to capital investment; authorizing the sale and issuance of state bonds; appropriating money for a grant to the city of Fountain.

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

Dauids introduced:

H. F. No. 943, A bill for an act relating to capital investment; authorizing the sale and issuance of state bonds; appropriating money for a grant to Brownsville.

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

Dauids introduced:

H. F. No. 944, A bill for an act relating to capital investment; authorizing the sale and issuance of state bonds; appropriating money for a grant to the city of La Crescent.

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

Dauids introduced:

H. F. No. 945, A bill for an act relating to capital investment; authorizing the sale and issuance of state bonds; appropriating money for a grant to the city of Peterson.

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

Dauids introduced:

H. F. No. 946, A bill for an act relating to capital investment; authorizing the sale and issuance of state bonds; appropriating money for the Minnesota Historical Society grants for local historic preservation projects.

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

Thao and Abeler introduced:

H. F. No. 947, A bill for an act relating to human services; appropriating money for the parents' fair share program.

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

Peterson, Carlson, Lillie, Hortman and Atkins introduced:

H. F. No. 948, A bill for an act relating to capital improvements; Mighty Ducks ice facility grants; modifying grant amounts; appropriating money; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2008, section 240A.09.

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

Thissen, Hornstein, Lieder, Abeler, Paymar, Davnie and Wagenius introduced:

H. F. No. 949, A bill for an act relating to public safety; authorizing automatic enforcement of official traffic-control devices; allocating fine proceeds generated by these devices; imposing petty misdemeanor penalty; appropriating money; amending Minnesota Statutes 2008, sections 169.011, by adding subdivisions; 169.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 169; 299A.

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

Murphy, M., introduced:

H. F. No. 950, A bill for an act relating to retirement; authorizing the Public Employees Retirement Association to offer a postretirement option for members of the public employees retirement general plan; proposing coding for new law in Minnesota Statutes, chapter 353.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

Lillie, Hoppe, Beard, Lieder and Abeler introduced:

H. F. No. 951, A bill for an act relating to energy; authorizing two or more existing municipal power agencies to form a new municipal power agency; amending Minnesota Statutes 2008, sections 453.52, subdivisions 2, 7, 8; 453.53, subdivisions 1, 2, 3, 4, 8, 9; 453.55, subdivision 13.

The bill was read for the first time and referred to the Energy Finance and Policy Division.

Eken, Cornish, Dill, Persell and Falk introduced:

H. F. No. 952, A bill for an act relating to waters; modifying membership of the Board of Water and Soil Resources; amending Minnesota Statutes 2008, section 103B.101, subdivisions 1, 2.

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

Paymar, Johnson, Rosenthal, Hayden, Lesch, Kelliher, Ruud, Lillie, Mullery, Bly and Champion introduced:

H. F. No. 953, A bill for an act relating to public safety; modifying provisions related to the transfer of pistols or semiautomatic military-style assault weapons; amending Minnesota Statutes 2008, sections 624.7131, subdivisions 1, 4, 5, 7; 624.7132, subdivisions 1, 3, 4, 5, 6, 8, 12, 13, by adding subdivisions; repealing Minnesota Statutes 2008, sections 624.7131, subdivisions 9, 10; 624.7132, subdivisions 10, 14.

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

Lesch, Kelliher, Holberg, Hayden, Ruud, Lillie and Abeler introduced:

H. F. No. 954, A bill for an act relating to public safety; requiring that information on persons civilly committed, found not guilty by reason of mental illness, or incompetent to stand trial be transmitted to the federal National Instant Criminal Background Check System; authorizing certain persons prohibited under state law from possessing a firearm to petition a court for restoration of this right; amending Minnesota Statutes 2008, section 624.713, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 253B.

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

Morrow introduced:

H. F. No. 955, A bill for an act relating to natural resources; renaming the Minnesota River Basin Joint Powers Board; clarifying the duties and membership of board; amending Minnesota Statutes 2008, section 103F.378.

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

Hornstein, Lanning and Lenczewski introduced:

H. F. No. 956, A bill for an act relating to municipalities; authorizing municipalities to establish street improvement districts and apportion street improvement fees within districts; requiring adoption of street improvement plan; authorizing collection of fees; proposing coding for new law in Minnesota Statutes, chapter 435.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

Olin, Kalin, Masin and Marquart introduced:

H. F. No. 957, A bill for an act relating to capital improvements; appropriating money for a municipal geothermal, wind turbine, and solar energy power facility; authorizing the sale and issuance of state bonds.

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

Olin, Haws, Sailer, Kalin and Masin introduced:

H. F. No. 958, A bill for an act relating to energy; authorizing state agencies to develop plan for using federal stimulus funds dedicated to energy projects to install energy-efficient windows in government and residential buildings, to weatherize residential buildings, and to train installers; appropriating money.

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

Scalze, Lillie, Lesch, Mahoney, Hausman and Johnson introduced:

H. F. No. 959, A bill for an act relating to capital improvements; authorizing the sale and issuance of bonds; appropriating money to construct trails in Ramsey County.

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

Masin, Obermueller, Mack, Morgan, Hansen, Sterner, Atkins, Hausman and Hornstein introduced:

H. F. No. 960, A bill for an act relating to capital improvements; appropriating money for capital improvements; appropriating money for Cedar Avenue Bus Rapid Transit Way in Dakota County.

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

Bunn, Thissen, Loeffler, Abeler and Murphy, E., introduced:

H. F. No. 961, A bill for an act relating to human services; allowing for costs associated with physical activities to be covered under home and community-based waivers; amending Minnesota Statutes 2008, section 256B.092, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Dittrich, Bunn, Swails, Abeler and Brynaert introduced:

H. F. No. 962, A bill for an act relating to taxation; providing a special levy for costs of operating and maintaining new county facilities; amending Minnesota Statutes 2008, section 275.70, subdivision 5.

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

Hilstrom, Paymar, Hosch, Laine and Eastlund introduced:

H. F. No. 963, A bill for an act relating to public safety; appropriating money for grants to mentor the children of incarcerated parents.

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

Holberg, Garofalo and Greiling introduced:

H. F. No. 964, A bill for an act relating to the legislature; coordinating legislative districts and congressional districts; amending Minnesota Statutes 2008, sections 2.021; 2.031, subdivision 1.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

Gottwalt, Nornes, Hosch, Drazkowski, Kiffmeyer, Abeler, Mack, Dean and Brod introduced:

H. F. No. 965, A bill for an act relating to taxation; adjusting long-term care insurance credit; amending Minnesota Statutes 2008, section 290.0672, subdivision 2.

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

Gunther and Torkelson introduced:

H. F. No. 966, A bill for an act relating to education finance; expanding school swimming pool levy to include small school districts; amending Minnesota Statutes 2008, section 126C.455.

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

Lillie, Mahoney, Scalze and Lesch introduced:

H. F. No. 967, A bill for an act relating to capital improvements; authorizing the sale and issuance of state bonds; appropriating money to construct a trail in Ramsey County.

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

Hosch, Howes, Nelson, Mahoney, Thissen, Gunther, Anzelc, Johnson, Solberg, Juhnke, Davids, Davnie, Kalin, Norton, Emmer and Sterner introduced:

H. F. No. 968, A bill for an act relating to labor and employment; creating a Board of Residential Construction; modifying license regulation; authorizing rulemaking; amending Minnesota Statutes 2008, sections 326B.02, subdivisions 2, 5; 326B.802, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326B.

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

Atkins and Thissen introduced:

H. F. No. 969, A bill for an act relating to health; modifying provisions governing patient access to health records and costs; amending Minnesota Statutes 2008, sections 144.292, subdivisions 5, 6; 144.293, subdivisions 4, 6.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Brod; Kelly; Shimanski; Pelowski; Nornes; Slawik; Anderson, P.; Scott; Gottwalt; Swails; Loon and Kelliher introduced:

H. F. No. 970, A bill for an act relating to elections; removing a requirement for a recount in certain statewide elections and requiring a special runoff election; authorizing the use of public money for runoff elections; appropriating money; amending Minnesota Statutes 2008, sections 10A.315; 204C.35, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 204D.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

Bigham, Hilstrom and Kohls introduced:

H. F. No. 971, A bill for an act relating to crime; clarifying that registration time period of predatory offender restarts after conviction of new crime; amending Minnesota Statutes 2008, section 243.166, subdivision 6.

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

Bigham, Hilstrom, Paymar, Gunther and Kelly introduced:

H. F. No. 972, A bill for an act relating to children; appropriating money to provide grants to youth intervention programs.

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

Swails, Poppe, Brynaert, Greiling and Obermueller introduced:

H. F. No. 973, A bill for an act relating to education; allowing the use of health and safety revenue to fund the costs associated with school district playground safety, accessibility, safe surfacing, play and fitness equipment and related inspections, design, installation, and ongoing maintenance; amending Minnesota Statutes 2008, section 123B.57, subdivisions 1, 2, 6.

The bill was read for the first time and referred to the Committee on K-12 Education Policy and Oversight.

Gottwalt, Severson, Drazkowski and Demmer introduced:

H. F. No. 974, A bill for an act relating to energy; abolishing prohibition on issuing certificate of need for new nuclear power plant; amending Minnesota Statutes 2008, section 216B.243, subdivision 3b.

The bill was read for the first time and referred to the Energy Finance and Policy Division.

Gottwalt, Dettmer, Sanders, Westrom and Kiffmeyer introduced:

H. F. No. 975, A bill for an act relating to taxation; income; providing a subtraction for contributions to a qualified section 529 college savings plan; amending Minnesota Statutes 2008, section 290.01, subdivision 19b.

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

Gunther, Davids, Gottwalt, Torkelson and Murdock introduced:

H. F. No. 976, A bill for an act relating to taxation; income taxes; increasing the long-term care insurance credit; amending Minnesota Statutes 2008, section 290.0672, subdivision 2.

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

Juhnke; Solberg; Howes; Gunther; Otremba; Koenen; Falk; Masin; Obermueller; Torkelson; Hamilton; Anderson, P.; Urdahl; Demmer; Doty; Faust; Persell; Morrow; Anzelc; Murphy, M.; Huntley; Reinert; Smith; Fritz; Magnus; Nornes; Dean; Hosch; Haws; Olin; Ward; Eastlund; Pelowski; Sailer and Westrom introduced:

H. F. No. 977, A bill for an act relating to game and fish; appropriating money for Let's Go Fishing community outreach grants; transferring certain money.

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

Lillie, Atkins, Hosch, Zellers and Anzelc introduced:

H. F. No. 978, A bill for an act relating to insurance; prohibiting automobile insurers from owning repair facilities; amending Minnesota Statutes 2008, section 72A.20, by adding a subdivision.

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

Severson introduced:

H. F. No. 979, A bill for an act relating to taxation; property; modifying adjusted levy limit base; amending Minnesota Statutes 2008, section 275.71, subdivision 4.

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

Lieder introduced:

H. F. No. 980, A bill for an act relating to public safety; modifying requirements of eligibility based on military experience for reciprocity examination for a peace officer; amending Minnesota Statutes 2008, section 626.8517.

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

Bly, Greiling, Laine, Davnie, Mariani, Tillberry and Slocum introduced:

H. F. No. 981, A bill for an act relating to education; amending charter school provisions; creating a commission; authorizing a private nonprofit corporation; amending Minnesota Statutes 2008, section 124D.10, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124D.

The bill was read for the first time and referred to the Committee on K-12 Education Policy and Oversight.

Murphy, M.; Nelson and Smith introduced:

H. F. No. 982, A bill for an act relating to retirement; revising allowable service credit for certain job-sharing project of job-share program participants.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

Hansen, Hausman, Wagenius, Scalze, Dill, Howes, Welti and Simon introduced:

H. F. No. 983, A bill for an act relating to capital improvements; establishing natural resources asset preservation and replacement; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Norton; Huntley; Murphy, E.; Abeler; Liebling; Ruud; Brod and Thao introduced:

H. F. No. 984, A bill for an act relating to human services; authorizing medical assistance coverage of primary care health care providers performing primary caries prevention services as part of the child and teen checkup program; amending Minnesota Statutes 2008, section 256B.0625, subdivision 14.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Hayden, Clark, Greiling, Abeler and Champion introduced:

H. F. No. 985, A bill for an act relating to human services; modifying provisions related to children aging out of foster care; proposing coding for new law in Minnesota Statutes, chapter 260C.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Thissen; Murphy, E.; Abeler and Haws introduced:

H. F. No. 986, A bill for an act relating to human services; amending county maintenance of effort provisions for mental health provisions; amending Minnesota Statutes 2008, section 245.4835.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Abeler, Greiling, Mullery, Carlson, Swails, Fritz and Ward introduced:

H. F. No. 987, A bill for an act relating to human services; modifying medical assistance drug formulary committee provisions; amending Minnesota Statutes 2008, section 256B.0625, subdivisions 13c, 13f.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Mariani, Hornstein, Clark, Westrom, Hausman, Slocum, Tillberry, Buesgens, Abeler, Howes and Eastlund introduced:

H. F. No. 988, A bill for an act relating to drivers' licenses; prohibiting commissioner of public safety from complying with Real ID Act.

The bill was read for the first time and referred to the Transportation and Transit Policy and Oversight Division.

Gottwalt, Hosch, Draskowski, Westrom, Kiffmeyer, Nornes and Severson introduced:

H. F. No. 989, A bill for an act relating to drivers' licenses; requiring full head and face be shown on driver's license and identification card; amending Minnesota Statutes 2008, section 171.07, subdivisions 1, 3; repealing Minnesota Statutes 2008, sections 13.6905, subdivision 8; 171.071, subdivision 1.

The bill was read for the first time and referred to the Transportation and Transit Policy and Oversight Division.

Bunn, Abeler, Solberg, Carlson, Ruud, McNamara, Kelliher and Gardner introduced:

H. F. No. 990, A bill for an act relating to the budget reserve; modifying priorities for additional revenues in general fund forecasts; requiring a report; amending Minnesota Statutes 2008, section 16A.152, subdivision 2, by adding a subdivision.

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

Eken introduced:

H. F. No. 991, A bill for an act relating to transportation; establishing a portion of Trunk Highway 200 as the Veterans Memorial Highway; amending Minnesota Statutes 2008, section 161.14, by adding a subdivision.

The bill was read for the first time and referred to the Transportation and Transit Policy and Oversight Division.

Dill, Greiling, Gunther, Anzelc, Doty and Mariani introduced:

H. F. No. 992, A bill for an act relating to insurance; permitting local school districts to choose to provide health coverage to their employees through the state employee group insurance plan; specifying the procedure a school district must use to make that choice; proposing coding for new law in Minnesota Statutes, chapter 43A.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Dill introduced:

H. F. No. 993, A bill for an act relating to charitable organizations; adjusting a requirement that financial statements submitted to the attorney general by charitable organizations be audited; amending Minnesota Statutes 2008, section 309.53, subdivision 3.

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

Lieder and Beard introduced:

H. F. No. 994, A bill for an act relating to motor carriers; abolishing state hazardous materials registration and permit requirements; amending Minnesota Statutes 2008, section 221.0355.

The bill was read for the first time and referred to the Transportation and Transit Policy and Oversight Division.

Mullery introduced:

H. F. No. 995, A bill for an act relating to mortgages; foreclosures by advertisement; modifying sheriff's sale procedure; amending Minnesota Statutes 2008, section 580.07.

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

Paymar and Hilstrom introduced:

H. F. No. 996, A bill for an act relating to courts; eliminating the requirement of personal appearance in an application for a name change made by an adult; amending Minnesota Statutes 2008, section 259.10, subdivision 1, by adding a subdivision.

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

Seifert; Gottwalt; Smith; Urdahl; Severson; Dettmer; Drazkowski; Davids; Lanning; Anderson, B.; Anderson, S.; Shimanski; Scott; Torkelson; Hamilton and Loon introduced:

H. F. No. 997, A resolution memorializing the federal government to halt its practice of imposing mandates upon the states for purposes not enumerated by the Constitution of the United States and affirming Minnesota's sovereignty under the Tenth Amendment to the Constitution of the United States.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

Emmer introduced:

H. F. No. 998, A resolution memorializing Congress; claiming sovereignty under the Tenth Amendment to the Constitution of the United States over certain powers; serving notice to the federal government to cease and desist certain mandates; and directing distribution.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

Mullery, Greiling and Tillberry introduced:

H. F. No. 999, A bill for an act relating to civil law; providing for civil union relationships; substituting civil union contracts for marriage for purposes of Minnesota law; amending Minnesota Statutes 2008, sections 363A.27; 517.01; 517.02; 517.03; 517.07; 517.08; 517.10; 517.101; 517.20; proposing coding for new law in Minnesota Statutes, chapter 517; repealing Minnesota Statutes 2008, sections 517.04; 517.041; 517.05; 517.06; 517.09; 517.13; 517.14; 517.15; 517.16; 517.18.

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

Norton and Liebling introduced:

H. F. No. 1000, A bill for an act relating to transportation; designating Highway 14 as Black and Yellow Trail; amending Minnesota Statutes 2008, section 161.14, by adding a subdivision.

The bill was read for the first time and referred to the Transportation and Transit Policy and Oversight Division.

Demmer introduced:

H. F. No. 1001, A bill for an act relating to education finance; authorizing state grants to leverage quality improvements in K-12 education; appropriating money.

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

Murphy, E.; Thissen; Huntley; Hosch; Abeler; Dean and Clark introduced:

H. F. No. 1002, A bill for an act relating to health; establishing a grant program for nursing education demonstration projects; appropriating money.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Mahoney, Drazkowski, Scalze, Johnson and Scott introduced:

H. F. No. 1003, A bill for an act relating to family law; changing a rebuttable presumption of minimum parenting time; specifying factors for rebuttal; changing a parenting expense adjustment; amending Minnesota Statutes 2008, sections 518.175, subdivision 1; 518A.36, subdivision 2.

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

Hamilton introduced:

H. F. No. 1004, A bill for an act relating to human services; providing for relocation of an ICF/MR facility in Cottonwood County; amending Minnesota Statutes 2008, section 252.291, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Reinert, Anzelc, Dill, Lieder, Sailer and Olin introduced:

H. F. No. 1005, A bill for an act relating to drivers' licenses; creating enhanced driver's license and enhanced identification card; providing for application, issuance, and appearance of card; directing commissioner of public safety to seek approval of card by Homeland Security secretary for proof of identity and citizenship and for use in entering United States; amending Minnesota Statutes 2008, sections 171.01, by adding subdivisions; 171.04, by adding a subdivision; 171.06, subdivisions 1, 2, 3, 6; 171.07, subdivision 3, by adding subdivisions; 171.071, by adding a subdivision.

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

Gunther introduced:

H. F. No. 1006, A bill for an act relating to occupations and professions; modifying requirements of the Combative Sports Commission; amending Minnesota Statutes 2008, sections 341.22; 341.24.

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

Wagenius and Carlson introduced:

H. F. No. 1007, A bill for an act relating to state government; appropriating money for environment and natural resources; modifying membership terms of the Legislative-Citizen Commission on Minnesota Resources; amending Minnesota Statutes 2008, section 116P.05, subdivision 1.

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

**CALENDAR FOR THE DAY**

H. F. No. 392 was reported to the House.

Urdahl, Koenen and Anderson, P., moved to amend H. F. No. 392, the second engrossment, as follows:

Page 13, after line 12, insert:

"Sec. 9. **[290.0681] RURAL ECONOMIC GROWTH CREDIT.**

Subdivision 1. **Credit name.** The credit allowed by this section shall be known as the "Rural Minnesota Catch-Up Credit."

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

(b) "Eligible county" means a county, located outside the metropolitan area, as defined in section 473.121, subdivision 2, that experienced, between 1994 and 2004, a net new job growth rate of less than 15.6 percent, or a county that has a population of less than 25,000 according to the 2000 census.

(c) "Qualifying job" means a job in an industry that produces goods or services that bring outside wealth into an eligible county. A qualifying job includes jobs in the following industries: value-added manufacturing, technologically innovative and information industries, forestry, mining, agriprocessing, and tourism attractions. At a minimum, a qualifying job must provide full-time employment and pay not less than \$12 per hour, or \$10 per hour plus health insurance benefits, or its equivalent. A qualifying job does not include any job for which a tax credit is received under section 469.318 or for which a grant is made under section 469.309.

Subd. 3. **Credit allowed.** A taxpayer that is awarded a credit under subdivision 4 may take a credit against the tax imposed by this chapter, equal to \$4,000 per qualifying job created by the taxpayer, per year for three years, and \$3,000 in the fourth year.

Subd. 4. **Qualification; application.** (a) To qualify for a credit under this section, a taxpayer must have created a new qualifying job within an eligible county after January 1, 2009. The taxpayer must have had an employee in the new qualifying job for 12 months before applying for a credit.

(b) A taxpayer seeking a credit under this section must apply to an eligible county at least 60 days before the award date in paragraph (c) on a form and in a manner prescribed by the commissioner of employment and economic development.

(c) Eligible counties shall award credits under this section once each year, by March 15, during one two-year period beginning on January 1, 2012. An eligible county shall publish a notice advertising the award date, at least 90 days before the date. The county board of commissioners of an eligible county, or the duly appointed representatives of the county board of commissioners, shall award credits under this section to applicants using uniform criteria established by the commissioner of employment and economic development. In selecting among applicants for awarding credits under this section, criteria must contemplate and place greater weight on the following factors: whether the qualifying job provides higher wages, better benefits, or on-the-job training; whether the taxpayer's business is locally owned and owns, rather than leases, its own facilities or buildings; whether the taxpayer's business provides employee stock ownership plans or employee profit sharing; and whether a higher percentage of the business's employees are hired with tax credits under this section. For purposes of this section, "duly appointed representatives" include a county or regional economic development agency or authority.

**Subd. 5. Limitation; carryforward.** (a) The total amount of credits under this section may not exceed \$150,000 per eligible county over two years. If a county fails to award \$150,000 within a year, it may carry forward the amount that remains unawarded to the following year. Unawarded amounts may not be carried beyond the following year and are lost.

(b) A taxpayer may claim the credit under this section for the year following the year in which the new qualifying job is created and for each year following a year in which the new qualifying job remains in existence, up to a maximum of four years or \$15,000 per qualifying job created. The taxpayer may claim the credit under this section for years in which the qualifying job was in existence for the entire year. A credit under this section is awarded to the taxpayer for, and attaches to, a designated employee. If the designated employee for whom a credit under this section was awarded leaves the employment of the taxpayer for any reason, the taxpayer may continue to claim the credit for the qualifying job only if a replacement employee is hired to fill the qualifying job within a reasonable period, not to exceed three months.

**Subd. 6. Credit refundable.** If the amount of credit that the taxpayer is eligible to receive under this section exceeds the liability for tax under this chapter, the commissioner shall refund the excess to the claimant. An amount sufficient to pay the refunds authorized by this subdivision is appropriated to the commissioner from the general fund.

**Subd. 7. Manner of claiming.** The commissioner shall prescribe the manner in which the credit may be issued and claimed. This may include providing for the issuance of credit certificates or allowing the credit only as a separately processed claim for a refund.

**Subd. 8. Report.** The commissioner of employment and economic development shall provide a written report to the legislature by February 15, 2012, in compliance with Minnesota Statutes, sections 3.195 and 3.197, on credits claimed under this section and shall evaluate the feasibility and benefit of continuing the program. The commissioner may consult with the commissioner of revenue in preparing this report.

**Subd. 9. Expiration.** This section expires for taxable years beginning after December 31, 2015.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Seifert moved to amend H. F. No. 392, the second engrossment, as follows:

Page 11, after line 17, insert:

"Sec. 8. Minnesota Statutes 2008, section 290.06, is amended by adding a subdivision to read:

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

(b) For purposes of this subdivision, a "qualified corporation" is a corporation that was certified by the commissioner of employment and economic development as increasing the number of its full-time equivalent employees in Minnesota by at least 50 during the calendar year ending in its previous taxable year. The

commissioner of employment and economic development shall establish an application and certification procedure to verify the required increase in employment positions and shall notify the commissioner of each qualified corporation for each taxable year in the manner and by the time the commissioner prescribes. A certified corporation is not a qualified corporation for the taxable year unless its total Minnesota payroll, as defined in section 290.191, subdivision 12, increased by one percent over the amount reported in the previous taxable year.

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

Page 13, after line 12, insert:

"Sec. 10. Minnesota Statutes 2008, section 290.068, subdivision 1, is amended to read:

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

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

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

Sec. 11. Minnesota Statutes 2008, section 290.191, subdivision 2, is amended to read:

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

- (1) the percent for the sales factor under paragraph (b) of the percentage which the sales made within this state in connection with the trade or business during the tax period are of the total sales wherever made in connection with the trade or business during the tax period;
- (2) the percent for the property factor under paragraph (b) of the percentage which the total tangible property used by the taxpayer in this state in connection with the trade or business during the tax period is of the total tangible property, wherever located, used by the taxpayer in connection with the trade or business during the tax period; and
- (3) the percent for the payroll factor under paragraph (b) of the percentage which the taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in this state in connection with the trade or business during the tax period are of the taxpayer's total payrolls paid or incurred in connection with the trade or business during the tax period.

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

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

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

Page 16, after line 28, insert:

"Sec. 15. Minnesota Statutes 2008, section 297A.68, subdivision 5, is amended to read:

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

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

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

- (1) machinery and equipment used to operate, control, or regulate the production equipment;
- (2) machinery and equipment used for research and development, design, quality control, and testing activities;
- (3) environmental control devices that are used to maintain conditions such as temperature, humidity, light, or air pressure when those conditions are essential to and are part of the production process;
- (4) materials and supplies used to construct and install machinery or equipment;
- (5) repair and replacement parts, including accessories, whether purchased as spare parts, repair parts, or as upgrades or modifications to machinery or equipment;
- (6) materials used for foundations that support machinery or equipment;
- (7) materials used to construct and install special purpose buildings used in the production process;
- (8) ready-mixed concrete equipment in which the ready-mixed concrete is mixed as part of the delivery process regardless if mounted on a chassis, repair parts for ready-mixed concrete trucks, and leases of ready-mixed concrete trucks; and
- (9) machinery or equipment used for research, development, design, or production of computer software.

(c) Capital equipment does not include the following:

(1) motor vehicles taxed under chapter 297B;

(2) machinery or equipment used to receive or store raw materials;

(3) building materials, except for materials included in paragraph (b), clauses (6) and (7);

(4) machinery or equipment used for nonproduction purposes, including, but not limited to, the following: plant security, fire prevention, first aid, and hospital stations; support operations or administration; pollution control; and plant cleaning, disposal of scrap and waste, plant communications, space heating, cooling, lighting, or safety;

(5) farm machinery and aquaculture production equipment as defined by section 297A.61, subdivisions 12 and 13;

(6) machinery or equipment purchased and installed by a contractor as part of an improvement to real property;

(7) machinery and equipment used by restaurants in the furnishing, preparing, or serving of prepared foods as defined in section 297A.61, subdivision 31;

(8) machinery and equipment used to furnish the services listed in section 297A.61, subdivision 3, paragraph (g), clause (6), items (i) to (vi) and (viii);

(9) machinery or equipment used in the transportation, transmission, or distribution of petroleum, liquefied gas, natural gas, water, or steam, in, by, or through pipes, lines, tanks, mains, or other means of transporting those products. This clause does not apply to machinery or equipment used to blend petroleum or biodiesel fuel as defined in section 239.77; or

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

(d) For purposes of this subdivision:

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

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

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

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

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

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

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

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

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

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

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

**EFFECTIVE DATE.** This section is effective for sales and purchases made after June 30, 2009."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Seifert amendment and the roll was called. There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

|              |            |           |             |           |           |
|--------------|------------|-----------|-------------|-----------|-----------|
| Abeler       | Dettmer    | Hamilton  | Lanning     | Olin      | Smith     |
| Anderson, P. | Doepke     | Holberg   | Loon        | Otremba   | Sterner   |
| Anderson, S. | Downey     | Hoppe     | Mack        | Peppin    | Swails    |
| Beard        | Drazkowski | Howes     | Magnus      | Rosenthal | Torkelson |
| Buesgens     | Eastlund   | Jackson   | McFarlane   | Ruud      | Urdahl    |
| Bunn         | Emmer      | Kalin     | McNamara    | Sanders   | Welti     |
| Cornish      | Garofalo   | Kath      | Murdock     | Scott     | Westrom   |
| Davids       | Gottwalt   | Kelly     | Newton      | Seifert   | Zellers   |
| Dean         | Gunther    | Kiffmeyer | Nornes      | Severson  |           |
| Demmer       | Hackbarth  | Kohls     | Obermueller | Shimanski |           |

Those who voted in the negative were:

|        |          |          |        |       |         |
|--------|----------|----------|--------|-------|---------|
| Anzelc | Bly      | Carlson  | Davnie | Falk  | Gardner |
| Atkins | Brown    | Champion | Dill   | Faust | Hansen  |
| Bigham | Brynaert | Clark    | Eken   | Fritz | Hausman |

|           |            |          |            |          |               |
|-----------|------------|----------|------------|----------|---------------|
| Haws      | Juhnke     | Lillie   | Murphy, E. | Reinert  | Thao          |
| Hayden    | Kahn       | Loeffler | Murphy, M. | Rukavina | Tillberry     |
| Hilstrom  | Knuth      | Mahoney  | Nelson     | Sailer   | Wagenius      |
| Hilty     | Koenen     | Mariani  | Norton     | Scalze   | Ward          |
| Hornstein | Laine      | Marquart | Paymar     | Sertich  | Winkler       |
| Hortman   | Lenczewski | Masin    | Pelowski   | Simon    | Spk. Kelliher |
| Hosch     | Lesch      | Morgan   | Persell    | Slawik   |               |
| Huntley   | Liebling   | Morrow   | Peterson   | Slocum   |               |
| Johnson   | Lieder     | Mullery  | Poppe      | Solberg  |               |

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

Kohls moved to amend H. F. No. 392, the second engrossment, as follows:

Page 4, after line 23, insert:

"Sec. 4. Minnesota Statutes 2008, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to ~~50~~ 100 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code and under the provisions of Public Law 109-1;

(7) for taxable years beginning before January 1, 2008, the amount of the federal small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code which is included in gross income under section 87 of the Internal Revenue Code;

(8) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (15), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(10) job opportunity building zone income as provided under section 469.316;

(11) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota, excluding compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal active service as defined in section 190.05, subdivision 5c, but "active service" excludes service performed in accordance with section 190.08, subdivision 3;

(12) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed outside Minnesota under United States Code, title 10, section 101(d); United States Code, title 32, section 101(12); or the authority of the United Nations;

(13) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(15) to the extent included in federal taxable income, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief Act, Public Law 108-189, section 101(2);

(16) international economic development zone income as provided under section 469.325; ~~and~~

(17) to the extent included in federal taxable income, the amount of national service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program; and

(18) for individuals who itemize deductions for federal income tax purposes for the taxable year, an amount equal to the amount that is allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code.

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

Page 13, after line 12, insert:

"Sec. 10. Minnesota Statutes 2008, section 290.091, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a disabled person;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); and

(6) the amount of addition required by section 290.01, subdivision 19a, clauses (7) to (9), (12), and (13);

less the sum of the amounts determined under the following:

(1) interest income as defined in section 290.01, subdivision 19b, clause (1);

(2) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2), to the extent included in federal alternative minimum taxable income;

(3) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income; and

(4) amounts subtracted from federal taxable income as provided by section 290.01, subdivision 19b, clauses (6) ~~and~~, (9) to (16), and (18).

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Tentative minimum tax" equals 6.4 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Net minimum tax" means the minimum tax imposed by this section.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kohls amendment and the roll was called. There were 52 yeas and 78 nays as follows:

Those who voted in the affirmative were:

|              |              |         |         |            |          |
|--------------|--------------|---------|---------|------------|----------|
| Abeler       | Anderson, S. | Cornish | Demmer  | Downey     | Emmer    |
| Anderson, B. | Beard        | Davids  | Dettmer | Drazkowski | Faust    |
| Anderson, P. | Buesgens     | Dean    | Doepke  | Eastlund   | Garofalo |

|           |           |           |         |           |           |
|-----------|-----------|-----------|---------|-----------|-----------|
| Gottwalt  | Hoppe     | Lanning   | Murdock | Scott     | Torkelson |
| Gunther   | Howes     | Loon      | Nornes  | Seifert   | Urdahl    |
| Hackbarth | Jackson   | Mack      | Olin    | Severson  | Westrom   |
| Hamilton  | Kelly     | Magnus    | Otremba | Shimanski | Zellers   |
| Haws      | Kiffmeyer | McFarlane | Peppin  | Smith     |           |
| Holberg   | Kohls     | McNamara  | Sanders | Sterner   |           |

Those who voted in the negative were:

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

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

Buesgens, Downey, Mack, Holberg, Gottwalt, Hackbarth, Emmer, Kohls, Sanders, Drazkowski, Hoppe and Seifert offered an amendment to H. F. No. 392, the second engrossment.

#### POINT OF ORDER

Sertich raised a point of order pursuant to rule 3.23 relating to constitutional amendments that the Buesgens et al amendment was not in order. The Speaker ruled the point of order well taken and the Buesgens et al amendment out of order.

Kohls, Shimanski, Magnus and McNamara moved to amend H. F. No. 392, the second engrossment, as follows:

Page 4, line 5, after "(8)" insert "for taxable years beginning before January 1, 2009."

Page 6, line 11, after "(16)" insert "for taxable years beginning before January 1, 2009."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kohls et al amendment and the roll was called. There were 63 yeas and 67 nays as follows:

Those who voted in the affirmative were:

|              |            |           |           |           |           |
|--------------|------------|-----------|-----------|-----------|-----------|
| Abeler       | Dettmer    | Gottwalt  | Kath      | Morrow    | Smith     |
| Anderson, B. | Doepke     | Gunther   | Kelly     | Murdock   | Sterner   |
| Anderson, P. | Downey     | Hackbarth | Kiffmeyer | Nornes    | Thissen   |
| Anderson, S. | Drazkowski | Hamilton  | Koenen    | Olin      | Torkelson |
| Beard        | Eastlund   | Holberg   | Kohls     | Otremba   | Urdahl    |
| Bigham       | Eken       | Hoppe     | Lanning   | Peppin    | Welti     |
| Buesgens     | Emmer      | Hosch     | Loon      | Sanders   | Westrom   |
| Cornish      | Falk       | Howes     | Mack      | Scott     | Zellers   |
| Davids       | Faust      | Jackson   | Magnus    | Seifert   |           |
| Dean         | Fritz      | Juhnke    | McFarlane | Severson  |           |
| Demmer       | Garofalo   | Kalin     | McNamara  | Shimanski |           |

Those who voted in the negative were:

|          |           |            |             |           |               |
|----------|-----------|------------|-------------|-----------|---------------|
| Anzelc   | Gardner   | Knuth      | Morgan      | Poppe     | Swails        |
| Atkins   | Hansen    | Laine      | Mullery     | Reinert   | Thao          |
| Bly      | Hausman   | Lenczewski | Murphy, E.  | Rosenthal | Tillberry     |
| Brown    | Haws      | Lesch      | Murphy, M.  | Rukavina  | Wagenius      |
| Brynaert | Hayden    | Liebling   | Nelson      | Ruud      | Ward          |
| Bunn     | Hilstrom  | Lieder     | Newton      | Sailer    | Winkler       |
| Carlson  | Hilty     | Lillie     | Norton      | Scalze    | Spk. Kelliher |
| Champion | Hornstein | Loeffler   | Obermueller | Sertich   |               |
| Clark    | Hortman   | Mahoney    | Paymar      | Simon     |               |
| Davnie   | Huntley   | Mariani    | Pelowski    | Slawik    |               |
| Dill     | Johnson   | Marquart   | Persell     | Slocum    |               |
| Dittrich | Kahn      | Masin      | Peterson    | Solberg   |               |

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

Davids offered an amendment to H. F. No. 392, the second engrossment.

#### POINT OF ORDER

Lenczewski raised a point of order pursuant to rule 3.21 that the Davids amendment was not in order. The Speaker ruled the point of order well taken and the Davids amendment out of order.

Seifert appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 81 yeas and 49 nays as follows:

Those who voted in the affirmative were:

|        |          |          |        |          |         |
|--------|----------|----------|--------|----------|---------|
| Anzelc | Bly      | Bunn     | Clark  | Dittrich | Faust   |
| Atkins | Brown    | Carlson  | Davnie | Eken     | Fritz   |
| Bigham | Brynaert | Champion | Dill   | Falk     | Gardner |

|           |            |            |             |          |               |
|-----------|------------|------------|-------------|----------|---------------|
| Hansen    | Juhnke     | Lillie     | Nelson      | Rukavina | Thao          |
| Hausman   | Kahn       | Loeffler   | Newton      | Ruud     | Thissen       |
| Haws      | Kalin      | Mahoney    | Norton      | Sailer   | Tillberry     |
| Hayden    | Kath       | Mariani    | Obermueller | Scalze   | Wagenius      |
| Hilstrom  | Knuth      | Marquart   | Paymar      | Sertich  | Ward          |
| Hilty     | Koenen     | Masin      | Pelowski    | Simon    | Welti         |
| Hornstein | Laine      | Morgan     | Persell     | Slawik   | Winkler       |
| Hortman   | Lenczewski | Morrow     | Peterson    | Slocum   | Spk. Kelliher |
| Hosch     | Lesch      | Mullery    | Poppe       | Solberg  |               |
| Huntley   | Liebling   | Murphy, E. | Reinert     | Sterner  |               |
| Johnson   | Lieder     | Murphy, M. | Rosenthal   | Swails   |               |

Those who voted in the negative were:

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

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

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

Zellers moved to amend H. F. No. 392, the second engrossment, as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2008, section 270C.02, subdivision 1, is amended to read:

Subdivision 1. **Commissioner; supervision of department and appointment.** The Department of Revenue is under the supervision and control of the commissioner. The commissioner shall be appointed by the governor under the provisions of section 15.06. The commissioner shall be selected on the basis of ability and experience in the field of tax administration and without regard to political affiliations. The governor may not appoint as commissioner an individual who has been convicted of a criminal violation of a federal or state tax or revenue law, who has failed to file a required original individual income tax return within one year of its due date, or who has unpaid federal, state, or local taxes for a prior taxable year when the appointment is announced to the public."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Zellers amendment and the roll was called. There were 123 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

|        |      |       |          |      |
|--------|------|-------|----------|------|
| Hayden | Kahn | Lesch | Rukavina | Thao |
|--------|------|-------|----------|------|

The motion prevailed and the amendment was adopted.

The Speaker called Pelowski to the Chair.

Drazkowski, Downey, Scott, Doepke, Severson, Holberg, Davids, Buesgens, Emmer, Dettmer, Gottwalt, Garofalo, Hoppe, Zellers, Kohls, Lanning and Peppin moved to amend H. F. No. 392, the second engrossment, as amended, as follows:

Page 1, before line 8, insert:

"Section 1. Minnesota Statutes 2008, section 270A.03, subdivision 7, is amended to read:

Subd. 7. **Refund.** "Refund" means an individual income tax refund or ~~political contribution refund~~, pursuant to chapter 290, or a property tax credit or refund, pursuant to chapter 290A, or a sustainable forest tax payment to a claimant under chapter 290C.

For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, and amounts granted to persons by the legislature on the recommendation of the joint senate-house of representatives Subcommittee on Claims shall be treated as refunds.

In the case of a joint property tax refund payable to spouses under chapter 290A, the refund shall be considered as belonging to each spouse in the proportion of the total refund that equals each spouse's proportion of the total income determined under section 290A.03, subdivision 3. In the case of a joint income tax refund under chapter 289A, the refund shall be considered as belonging to each spouse in the proportion of the total refund that equals each spouse's proportion of the total taxable income determined under section 290.01, subdivision 29. The commissioner shall remit the entire refund to the claimant agency, which shall, upon the request of the spouse who does not owe the debt, determine the amount of the refund belonging to that spouse and refund the amount to that spouse. For court fines, fees, and surcharges and court-ordered restitution under section 611A.04, subdivision 2, the notice provided by the commissioner of revenue under section 270A.07, subdivision 2, paragraph (b), serves as the appropriate legal notice to the spouse who does not owe the debt.

**EFFECTIVE DATE.** This section is effective for political contribution refund claims based on contributions made on or after July 1, 2009."

Page 1, after line 15, insert:

"Sec. 3. Minnesota Statutes 2008, section 289A.50, subdivision 1, is amended to read:

Subdivision 1. **General right to refund.** (a) Subject to the requirements of this section and section 289A.40, a taxpayer who has paid a tax in excess of the taxes lawfully due and who files a written claim for refund will be refunded or credited the overpayment of the tax determined by the commissioner to be erroneously paid.

(b) The claim must specify the name of the taxpayer, the date when and the period for which the tax was paid, the kind of tax paid, the amount of the tax that the taxpayer claims was erroneously paid, the grounds on which a refund is claimed, and other information relative to the payment and in the form required by the commissioner. An income tax, estate tax, or corporate franchise tax return, or amended return claiming an overpayment constitutes a claim for refund.

(c) When, in the course of an examination, and within the time for requesting a refund, the commissioner determines that there has been an overpayment of tax, the commissioner shall refund or credit the overpayment to the taxpayer and no demand is necessary. If the overpayment exceeds \$1, the amount of the overpayment must be refunded to the taxpayer. If the amount of the overpayment is less than \$1, the commissioner is not required to refund. In these situations, the commissioner does not have to make written findings or serve notice by mail to the taxpayer.

(d) If the amount allowable as a credit for withholding, estimated taxes, or dependent care exceeds the tax against which the credit is allowable, the amount of the excess is considered an overpayment. ~~The refund allowed by section 290.06, subdivision 23, is also considered an overpayment.~~ The requirements of section 270C.33 do not apply to the refunding of such an overpayment shown on the original return filed by a taxpayer.

(e) If the entertainment tax withheld at the source exceeds by \$1 or more the taxes, penalties, and interest reported in the return of the entertainment entity or imposed by section 290.9201, the excess must be refunded to the entertainment entity. If the excess is less than \$1, the commissioner need not refund that amount.

(f) If the surety deposit required for a construction contract exceeds the liability of the out-of-state contractor, the commissioner shall refund the difference to the contractor.

(g) An action of the commissioner in refunding the amount of the overpayment does not constitute a determination of the correctness of the return of the taxpayer.

(h) There is appropriated from the general fund to the commissioner of revenue the amount necessary to pay refunds allowed under this section.

**EFFECTIVE DATE.** This section is effective for political contribution refund claims based on contributions made on or after July 1, 2009.

Sec. 4. Minnesota Statutes 2008, section 290.01, subdivision 6, is amended to read:

Subd. 6. **Taxpayer.** The term "taxpayer" means any person or corporation subject to a tax imposed by this chapter. ~~For purposes of section 290.06, subdivision 23, the term "taxpayer" means an individual eligible to vote in Minnesota under section 201.014.~~

**EFFECTIVE DATE.** This section is effective for political contribution refund claims based on contributions made on or after July 1, 2009."

Page 17, after line 23, insert:

"Sec. 17. **REPEALER.**

Minnesota Statutes 2008, section 290.06, subdivision 23, is repealed effective for contributions made after June 30, 2009."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Draskowski et al amendment and the roll was called. There were 49 yeas and 79 nays as follows:

Those who voted in the affirmative were:

|              |            |           |           |           |           |
|--------------|------------|-----------|-----------|-----------|-----------|
| Anderson, B. | Dittrich   | Hamilton  | Loon      | Peterson  | Torkelson |
| Anderson, P. | Doepke     | Haws      | Mack      | Rosenthal | Urdahl    |
| Anderson, S. | Downey     | Holberg   | Magnus    | Sanders   | Westrom   |
| Buesgens     | Draskowski | Hoppe     | McFarlane | Scalze    | Zellers   |
| Cornish      | Eastlund   | Jackson   | McNamara  | Scott     |           |
| Davids       | Emmer      | Kelly     | Murdock   | Seifert   |           |
| Dean         | Garofalo   | Kiffmeyer | Nornes    | Severson  |           |
| Demmer       | Gottwalt   | Kohls     | Olin      | Shimanski |           |
| Dettmer      | Gunther    | Lanning   | Peppin    | Smith     |           |

Those who voted in the negative were:

|          |          |           |         |            |            |
|----------|----------|-----------|---------|------------|------------|
| Abeler   | Champion | Hackbarth | Howes   | Laine      | Marquart   |
| Anzelc   | Clark    | Hansen    | Huntley | Lenczewski | Masin      |
| Atkins   | Davnie   | Hausman   | Johnson | Lesch      | Morgan     |
| Bigham   | Dill     | Hayden    | Juhnke  | Liebling   | Morrow     |
| Bly      | Eken     | Hilstrom  | Kahn    | Lieder     | Mullery    |
| Brown    | Falk     | Hilty     | Kalin   | Lillie     | Murphy, E. |
| Brynaert | Faust    | Hornstein | Kath    | Loeffler   | Murphy, M. |
| Bunn     | Fritz    | Hortman   | Knuth   | Mahoney    | Nelson     |
| Carlson  | Gardner  | Hosch     | Koenen  | Mariani    | Newton     |

|             |          |         |           |               |
|-------------|----------|---------|-----------|---------------|
| Norton      | Persell  | Sailer  | Solberg   | Wagenius      |
| Obermueller | Poppe    | Sertich | Sterner   | Ward          |
| Otremba     | Reinert  | Simon   | Swails    | Welti         |
| Paymar      | Rukavina | Slawik  | Thao      | Winkler       |
| Pelowski    | Ruud     | Slocum  | Tillberry | Spk. Kelliher |

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

Severson moved to amend H. F. No. 392, the second engrossment, as amended, as follows:

Page 4, after line 23, insert:

"Sec. 4. Minnesota Statutes 2008, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code and under the provisions of Public Law 109-1;

(7) for taxable years beginning before January 1, 2008, the amount of the federal small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code which is included in gross income under section 87 of the Internal Revenue Code;

(8) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (15), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(10) job opportunity building zone income as provided under section 469.316;

(11) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota, excluding compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal active service as defined in section 190.05, subdivision 5c, but "active service" excludes service performed in accordance with section 190.08, subdivision 3;

(12) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed outside Minnesota under United States Code, title 10, section 101(d); United States Code, title 32, section 101(12); or the authority of the United Nations;

(13) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(15) to the extent included in federal taxable income, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief Act, Public Law 108-189, section 101(2);

(16) international economic development zone income as provided under section 469.325; ~~and~~

(17) to the extent included in federal taxable income, the amount of national service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program; and

(18) to the extent included in federal taxable income, a percentage of compensation received from a pension or other retirement pay from the federal government for service in the military, as computed under United States Code, title 10, sections 1401 to 1412, 1447 to 1455, and 12733, as follows: (i) for taxable years beginning after December 31, 2008, the percentage is 25 percent, except that if the commissioner determines that the number of individuals claiming this subtraction in any taxable year beginning after December 31, 2009, is at least 1,000 greater than the number claiming this subtraction in the taxable year beginning after December 31, 2008, and before January 1, 2010, then the percentage increases to 50 percent in following taxable years, and if the commissioner determines that the number of individuals claiming this subtraction in any taxable year beginning after the first taxable year in which the percentage is 50 percent is at least 2,000 greater than the number claiming this subtraction in the taxable year beginning after December 31, 2008, and before January 1, 2010, then the percentage increases to 100 percent in following taxable years. An individual who claims the subtraction in this clause may not also claim the credit in section 290.0677.

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

Page 13, after line 12, insert:

"Section 10. Minnesota Statutes 2008, section 290.091, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a disabled person;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); and

(6) the amount of addition required by section 290.01, subdivision 19a, clauses (7) to (9), (12), and (13);

less the sum of the amounts determined under the following:

(1) interest income as defined in section 290.01, subdivision 19b, clause (1);

(2) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2), to the extent included in federal alternative minimum taxable income;

(3) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income; and

(4) amounts subtracted from federal taxable income as provided by section 290.01, subdivision 19b, clauses (6) ~~and~~, (9) to (16), and (18).

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Tentative minimum tax" equals 6.4 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Net minimum tax" means the minimum tax imposed by this section.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

#### POINT OF ORDER

Kohls raised a point of order pursuant to section 124 of "Mason's Manual of Legislative Procedure," relating to Personalities Not Permitted in Debate. Speaker pro tempore Pelowski ruled the point of order well taken.

The Speaker resumed the Chair.

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

### CALL OF THE HOUSE

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

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

Sertich moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Eken was excused between the hours of 12:45 p.m. and 12:55 p.m.

The question recurred on the Severson amendment and the roll was called.

Pursuant to rule 2.05, Newton and Reinert were excused from voting on the Severson amendment to H. F. No 392, the second engrossment, as amended.

There were 57 yeas and 70 nays as follows:

Those who voted in the affirmative were:

|              |          |            |          |           |         |
|--------------|----------|------------|----------|-----------|---------|
| Abeler       | Buesgens | Dettmer    | Emmer    | Gunther   | Hoppe   |
| Anderson, B. | Cornish  | Doepke     | Falk     | Hackbarth | Howes   |
| Anderson, P. | Davids   | Downey     | Faust    | Hamilton  | Jackson |
| Anderson, S. | Dean     | Drazkowski | Garofalo | Haws      | Kath    |
| Beard        | Demmer   | Eastlund   | Gottwalt | Holberg   | Kelly   |

|           |           |         |           |           |         |
|-----------|-----------|---------|-----------|-----------|---------|
| Kiffmeyer | Mack      | Nornes  | Seifert   | Sterner   | Westrom |
| Koenen    | Magnus    | Otremba | Severson  | Swails    | Zellers |
| Kohls     | McFarlane | Peppin  | Shimanski | Torkelson |         |
| Lanning   | McNamara  | Sanders | Slawik    | Urdahl    |         |
| Loon      | Murdock   | Scott   | Smith     | Ward      |         |

Those who voted in the negative were:

|          |           |            |            |             |               |
|----------|-----------|------------|------------|-------------|---------------|
| Anzelc   | Eken      | Huntley    | Loeffler   | Obermueller | Sertich       |
| Bigham   | Fritz     | Johnson    | Mahoney    | Olin        | Simon         |
| Bly      | Gardner   | Juhnke     | Mariani    | Paymar      | Slocum        |
| Brown    | Greiling  | Kahn       | Marquart   | Pelowski    | Solberg       |
| Brynaert | Hansen    | Kalin      | Masin      | Persell     | Thao          |
| Bunn     | Hausman   | Knuth      | Morgan     | Peterson    | Tillberry     |
| Carlson  | Hayden    | Laine      | Morrow     | Poppe       | Wagenius      |
| Champion | Hilstrom  | Lenczewski | Mullery    | Rosenthal   | Welti         |
| Clark    | Hilty     | Lesch      | Murphy, E. | Rukavina    | Winkler       |
| Davnie   | Hornstein | Liebling   | Murphy, M. | Ruud        | Spk. Kelliher |
| Dill     | Hortman   | Lieder     | Nelson     | Sailer      |               |
| Dittrich | Hosch     | Lillie     | Norton     | Scalze      |               |

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

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

#### CALL OF THE HOUSE LIFTED

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

Anderson, S., moved to amend H. F. No. 392, the second engrossment, as amended, as follows:

Page 4, after line 23, insert:

"Sec. 4. Minnesota Statutes 2008, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary

school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code and under the provisions of Public Law 109-1;

(7) for taxable years beginning before January 1, 2008, the amount of the federal small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code which is included in gross income under section 87 of the Internal Revenue Code;

(8) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (15), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(10) job opportunity building zone income as provided under section 469.316;

(11) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota, excluding compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal active service as defined in section 190.05, subdivision 5c, but "active service" excludes service performed in accordance with section 190.08, subdivision 3;

(12) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed outside Minnesota under United States Code, title 10, section 101(d); United States Code, title 32, section 101(12); or the authority of the United Nations;

(13) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(15) to the extent included in federal taxable income, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief Act, Public Law 108-189, section 101(2);

(16) international economic development zone income as provided under section 469.325; ~~and~~

(17) to the extent included in federal taxable income, the amount of national service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program; and

(18) to the extent included in federal taxable income, social security benefits.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2011."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Anderson, S., amendment and the roll was called. There were 49 yeas and 79 nays as follows:

Those who voted in the affirmative were:

|              |          |         |            |          |           |
|--------------|----------|---------|------------|----------|-----------|
| Abeler       | Beard    | Dean    | Downey     | Faust    | Hackbarth |
| Anderson, B. | Buesgens | Demmer  | Drazkowski | Garofalo | Hamilton  |
| Anderson, P. | Cornish  | Dettmer | Eastlund   | Gottwalt | Holberg   |
| Anderson, S. | Davids   | Doepke  | Emmer      | Gunther  | Hoppe     |

|           |         |           |           |           |
|-----------|---------|-----------|-----------|-----------|
| Howes     | Kohls   | McFarlane | Sanders   | Smith     |
| Jackson   | Lanning | McNamara  | Scott     | Torkelson |
| Kath      | Loon    | Murdock   | Seifert   | Urdahl    |
| Kelly     | Mack    | Nornes    | Severson  | Westrom   |
| Kiffmeyer | Magnus  | Peppin    | Shimanski | Zellers   |

Those who voted in the negative were:

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

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

Kohls moved to amend H. F. No. 392, the second engrossment, as amended, as follows:

Page 13, after line 12, insert:

"Sec. 9. Minnesota Statutes 2008, section 290.068, subdivision 1, is amended to read:

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

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

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

Sec. 10. Minnesota Statutes 2008, section 290.068, subdivision 3, is amended to read:

Subd. 3. **Limitation; carryover.** (a)(1) The credit for the taxable year shall not exceed the liability for tax. "Liability for tax" for purposes of this section means the tax imposed under section 290.06, subdivision 1, for the taxable year reduced by the sum of the nonrefundable credits allowed under this chapter.

(2) ~~In the case of a corporation which is~~ For a partner in a partnership and for a shareholder in an S corporation, the credit allowed for the taxable year shall not exceed the lesser of the amount determined under clause (1) for the taxable year or an amount (separately computed with respect to the ~~corporation's taxpayer's~~ taxpayer's interest in the trade or business or entity) equal to the amount of tax attributable to that portion of taxable income which is allocable or apportionable to the ~~corporation's taxpayer's~~ taxpayer's interest in the trade or business or entity.

(b) If the amount of the credit determined under this section for any taxable year exceeds the limitation under clause (a), the excess shall be a research credit carryover to each of the 15 succeeding taxable years. The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The amount of the unused credit which may be added under this clause shall not exceed the taxpayer's liability for tax less the research credit for the taxable year.

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

Sec. 11. Minnesota Statutes 2008, section 290.068, subdivision 4, is amended to read:

Subd. 4. **Partnerships and S corporations.** In the case of partnerships and S corporations the credit shall be allocated in the same manner provided by section 41(f)(2) and 41(g) of the Internal Revenue Code.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The Speaker called Pelowski to the Chair.

The question was taken on the Kohls amendment and the roll was called.

Pursuant to rule 2.05, Hansen was excused from voting on the Kohls amendment to H. F. No. 392, the second engrossment, as amended.

There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

|              |         |            |           |         |           |
|--------------|---------|------------|-----------|---------|-----------|
| Abeler       | Bunn    | Dittrich   | Faust     | Holberg | Kiffmeyer |
| Anderson, B. | Cornish | Doepke     | Garofalo  | Hoppe   | Kohls     |
| Anderson, P. | Davids  | Downey     | Gottwalt  | Howes   | Lanning   |
| Anderson, S. | Dean    | Drazkowski | Gunther   | Jackson | Loon      |
| Beard        | Demmer  | Eastlund   | Hackbarth | Kath    | Mack      |
| Buesgens     | Dettmer | Emmer      | Hamilton  | Kelly   | Magnus    |

|           |             |         |           |           |         |
|-----------|-------------|---------|-----------|-----------|---------|
| McFarlane | Obermueller | Ruud    | Seifert   | Sterner   | Westrom |
| McNamara  | Olin        | Sanders | Severson  | Torkelson | Zellers |
| Murdock   | Peppin      | Scalze  | Shimanski | Urdahl    |         |
| Nornes    | Rosenthal   | Scott   | Smith     | Welti     |         |

Those who voted in the negative were:

|          |           |            |            |          |               |
|----------|-----------|------------|------------|----------|---------------|
| Anzalc   | Gardner   | Juhnke     | Mahoney    | Otremba  | Slocum        |
| Bigham   | Greiling  | Kahn       | Mariani    | Paymar   | Solberg       |
| Bly      | Hausman   | Kalin      | Marquart   | Pelowski | Swails        |
| Brown    | Haws      | Knuth      | Masin      | Persell  | Thao          |
| Brynaert | Hayden    | Koenen     | Morgan     | Peterson | Tillberry     |
| Carlson  | Hilstrom  | Laine      | Morrow     | Poppe    | Wagenius      |
| Champion | Hilty     | Lenczewski | Mullery    | Reinert  | Ward          |
| Clark    | Hornstein | Lesch      | Murphy, E. | Rukavina | Winkler       |
| Davnie   | Hortman   | Liebling   | Murphy, M. | Sailer   | Spk. Kelliher |
| Dill     | Hosch     | Lieder     | Nelson     | Sertich  |               |
| Eken     | Huntley   | Lillie     | Newton     | Simon    |               |
| Fritz    | Johnson   | Loeffler   | Norton     | Slawik   |               |

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

Westrom moved to amend H. F. No. 392, the second engrossment, as amended, as follows:

Page 2, delete section 3

Page 12, line 23, delete everything after "expenses" and insert "deducted under section 222 of the Internal Revenue Code; and"

Page 12, delete line 24

Page 14, line 16, delete everything after "expenses" and insert "deducted under section 222 of the Internal Revenue Code; and"

Page 14, delete line 17

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Westrom amendment and the roll was called. There were 60 yeas and 68 nays as follows:

Those who voted in the affirmative were:

|              |              |         |         |          |            |
|--------------|--------------|---------|---------|----------|------------|
| Abeler       | Anderson, S. | Bunn    | Dean    | Dittrich | Drazkowski |
| Anderson, B. | Beard        | Cornish | Demmer  | Doepke   | Eastlund   |
| Anderson, P. | Buesgens     | Dauids  | Dettmer | Downey   | Emmer      |

|           |         |           |           |           |           |
|-----------|---------|-----------|-----------|-----------|-----------|
| Faust     | Holberg | Kiffmeyer | McNamara  | Sanders   | Smith     |
| Garofalo  | Hoppe   | Kohls     | Murdock   | Scalze    | Swails    |
| Gottwalt  | Howes   | Lanning   | Nornes    | Scott     | Torkelson |
| Gunther   | Jackson | Loon      | Olin      | Seifert   | Urdahl    |
| Hackbarth | Kalin   | Mack      | Peterson  | Severson  | Welti     |
| Hamilton  | Kath    | Magnus    | Rosenthal | Shimanski | Westrom   |
| Haws      | Kelly   | McFarlane | Ruud      | Slawik    | Zellers   |

Those who voted in the negative were:

|          |           |            |             |          |               |
|----------|-----------|------------|-------------|----------|---------------|
| Anzelc   | Gardner   | Juhnke     | Mariani     | Otremba  | Solberg       |
| Bigham   | Greiling  | Kahn       | Marquart    | Paymar   | Sterner       |
| Bly      | Hansen    | Knuth      | Masin       | Pelowski | Thao          |
| Brown    | Hausman   | Koenen     | Morgan      | Peppin   | Tillberry     |
| Brynaert | Hayden    | Laine      | Morrow      | Persell  | Wagenius      |
| Carlson  | Hilstrom  | Lenczewski | Mullery     | Poppe    | Ward          |
| Champion | Hilty     | Lesch      | Murphy, E.  | Reinert  | Winkler       |
| Clark    | Hornstein | Liebling   | Murphy, M.  | Rukavina | Spk. Kelliher |
| Davnie   | Hortman   | Lieder     | Nelson      | Sailer   |               |
| Dill     | Hosch     | Lillie     | Newton      | Sertich  |               |
| Eken     | Huntley   | Loeffler   | Norton      | Simon    |               |
| Fritz    | Johnson   | Mahoney    | Obermueller | Slocum   |               |

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

Demmer moved to amend H. F. No. 392, the second engrossment, as amended, as follows:

"Sec. 12. Minnesota Statutes 2008, section 291.03, subdivision 1, is amended to read:

Subdivision 1. **Tax amount.** (a) The tax imposed shall be an amount equal to the proportion of the maximum credit for state death taxes computed under section 2011 of the Internal Revenue Code, but without regard to the reduction in or repeal of the credit and using Minnesota adjusted taxable estate instead of federal adjusted taxable estate, as the Minnesota gross estate bears to the value of the federal gross estate.

(b) The tax determined under this subdivision must not be greater than the sum of the following amounts multiplied by a fraction, the numerator of which is the Minnesota gross estate and the denominator of which is the federal gross estate:

(1) the rates and brackets under section 2001(c) of the Internal Revenue Code multiplied by the sum of:

(i) the taxable estate, as defined under section 2051 of the Internal Revenue Code; plus

(ii) adjusted taxable gifts, as defined in section 2001(b) of the Internal Revenue Code; less

(2) the amount of tax allowed under section 2001(b)(2) of the Internal Revenue Code; and less

(3) the federal credit allowed under section 2010 of the Internal Revenue Code.

~~(c) For purposes of this subdivision, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 2000.~~

**EFFECTIVE DATE.** This section is effective for estates of decedents dying after December 31, 2008."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Zellers moved to amend H. F. No. 392, the second engrossment, as amended, as follows:

Page 1, after line 7, insert:

"Section 1. **[116J.8751] TAX EXEMPTION FOR NEW AND EXPANDING BUSINESSES.**

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

(b) "Project" means any revenue-producing enterprise, or any combination of two or more of these enterprises, if the project is conducted by a qualifying business.

(c) "Project percentage" means the following fraction reduced to a percentage for an approved project:

(1) the numerator of the fraction is:

(i) the ratio of the taxpayer's property factor under section 290.191 attributable to the project for the taxable year over the property factor numerator determined under section 290.191, plus

(ii) the ratio of the taxpayer's project payroll factor under paragraph (d) over the payroll factor numerator determined under section 290.191; and

(2) the denominator of the fraction is two.

When calculating the project percentage for a business that is part of a unitary business as defined under section 290.17, subdivision 4, the denominator of the payroll and property factors is the Minnesota payroll and property of the unitary business as reported on the combined report under section 290.17, subdivision 4, paragraph (j).

(d) "Project payroll factor" is that portion of the payroll factor under section 290.191 attributable to wages or salaries paid to individuals employed as a result of the project.

(e) "Qualifying business" means a corporation or other entity subject to tax under section 290.02 that either:

(1) through the employment of knowledge or labor adds value to a product, process, or service that results in the creation of new wealth; or

(2) operates tourism-related businesses and activities, including recreation, historical and cultural events, guide services, and unique lodging and food services that serve as destination attractions.

(f) "Relocates" means that the trade or business:

(1) ceases one or more operations or functions at another location in Minnesota and begins performing substantially the same operations or functions in connection with the eligible project; or

(2) reduces employment at another location in Minnesota during a period starting one year before and ending one year after it begins operation of the project and its employees in the project are engaged in the same line of business as the employees at the location where it reduced employment; but excludes

(3) an expansion by a business that establishes a new facility that does not replace or supplant an existing operation or employment, in whole or in part.

"Trade or business" includes any business entity that is substantially similar in operation or ownership to the business entity seeking to be a qualified business under this section.

(g) "Relocation payroll percentage" is a fraction, the numerator of which is the project payroll of the business for the taxable year minus the payroll from the relocated operations in the last full year of operations prior to the relocation, and the denominator of which is the project payroll of the business for the taxable year. The relocation payroll percentage of a business that is not a relocating business is 100 percent.

**Subd. 2. Application for tax exemption.** (a) Upon application by a project operator to the commissioner, the net income of a project may be exempt from corporate franchise tax for a period not exceeding five years from commencement of project operations. The application for the exemption must be reviewed as to the eligibility of the project by the commissioner who shall determine whether the granting of the exemption is in the best interest of the people of Minnesota and, if the commissioner so determines, shall approve the exemption. A qualified business is eligible only if it either is a new business or is an existing business that is constructing, purchasing or leasing additional facilities in Minnesota, and is employing five or more additional employees in Minnesota. The commissioner shall, after making its determination, enter a business subsidy agreement with the applicant and after doing so shall certify the findings to the commissioner of revenue.

(b) The exemption under this section does not apply to facilities located in a job opportunity building zone designated under section 469.314.

**Subd. 3. Notice to competitors.** The project operator shall provide notice to competitors in the manner prescribed by the commissioner.

**Subd. 4. Calculation of exemption.** (a) A qualified business is exempt from taxation on its income attributable to an eligible project approved by the commissioner. The exemption applies to the tax under section 290.02, the alternative minimum tax under section 290.0921, and the minimum fee under section 290.0922, on the portion of its income attributable to the eligible project. This exemption is determined as follows:

(1) for purposes of the tax imposed under section 290.02, by multiplying its taxable net income by its project percentage and by its relocation payroll percentage and subtracting the result in determining taxable income;

(2) for purposes of the alternative minimum tax under section 290.0921, by multiplying its alternative minimum taxable income by its project percentage and by its relocation payroll percentage and reducing alternative minimum taxable income by this amount; and

(3) for purposes of the minimum fee under section 290.0922, by excluding project property and payroll from the computations of the fee or by exempting the entity under section 290.0922, subdivision 2, clause (9).

(b) No subtraction is allowed under this section in excess of 20 percent of the sum of the corporation's project payroll and the adjusted basis of the property when the property is first used in the project by the corporation.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to taxable years beginning after December 31, 2008."

Page 11, after line 8, insert:

"Sec. 8. Minnesota Statutes 2008, section 290.01, subdivision 29, is amended to read:

Subd. 29. **Taxable income.** The term "taxable income" means:

- (1) for individuals, estates, and trusts, the same as taxable net income;
- (2) for corporations, the taxable net income less
  - (i) the net operating loss deduction under section 290.095;
  - (ii) the dividends received deduction under section 290.21, subdivision 4;
  - (iii) the exemption for operating in a job opportunity building zone under section 469.317;
  - (iv) the exemption for operating in a biotechnology and health sciences industry zone under section 469.337; ~~and~~
  - (v) the exemption for operating in an international economic development zone under section 469.326; and
  - (vi) the exemption for projects approved under section 116J.8751.

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

Page 13, after line 12, insert:

"Sec. 11. Minnesota Statutes 2008, section 290.0921, subdivision 3, is amended to read:

Subd. 3. **Alternative minimum taxable income.** "Alternative minimum taxable income" is Minnesota net income as defined in section 290.01, subdivision 19, and includes the adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f), and (h) of the Internal Revenue Code. If a corporation files a separate company Minnesota tax return, the minimum tax must be computed on a separate company basis. If a corporation is part of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis. The following adjustments must be made.

(1) For purposes of the depreciation adjustments under section 56(a)(1) and 56(g)(4)(A) of the Internal Revenue Code, the basis for depreciable property placed in service in a taxable year beginning before January 1, 1990, is the adjusted basis for federal income tax purposes, including any modification made in a taxable year under section 290.01, subdivision 19e, or Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c).

For taxable years beginning after December 31, 2000, the amount of any remaining modification made under section 290.01, subdivision 19e, or Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c), not previously deducted is a depreciation allowance in the first taxable year after December 31, 2000.

(2) The portion of the depreciation deduction allowed for federal income tax purposes under section 168(k) of the Internal Revenue Code that is required as an addition under section 290.01, subdivision 19c, clause (15), is disallowed in determining alternative minimum taxable income.

(3) The subtraction for depreciation allowed under section 290.01, subdivision 19d, clause (18), is allowed as a depreciation deduction in determining alternative minimum taxable income.

(4) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d) of the Internal Revenue Code does not apply.

(5) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal Revenue Code does not apply.

(6) The special rule for dividends from section 936 companies under section 56(g)(4)(C)(iii) does not apply.

(7) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code does not apply.

(8) The tax preference for intangible drilling costs under section 57(a)(2) of the Internal Revenue Code must be calculated without regard to subparagraph (E) and the subtraction under section 290.01, subdivision 19d, clause (4).

(9) The tax preference for tax exempt interest under section 57(a)(5) of the Internal Revenue Code does not apply.

(10) The tax preference for charitable contributions of appreciated property under section 57(a)(6) of the Internal Revenue Code does not apply.

(11) For purposes of calculating the tax preference for accelerated depreciation or amortization on certain property placed in service before January 1, 1987, under section 57(a)(7) of the Internal Revenue Code, the deduction allowable for the taxable year is the deduction allowed under section 290.01, subdivision 19e.

For taxable years beginning after December 31, 2000, the amount of any remaining modification made under section 290.01, subdivision 19e, not previously deducted is a depreciation or amortization allowance in the first taxable year after December 31, 2004.

(12) For purposes of calculating the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable income as defined in this subdivision, determined without regard to the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code.

(13) For purposes of determining the amount of adjusted current earnings under section 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4) of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up subtracted as provided in section 290.01, subdivision 19d, clause (1), (ii) the amount of refunds of income, excise, or franchise taxes subtracted as provided in section 290.01, subdivision 19d, clause (9), or (iii) the amount of royalties, fees or other like income subtracted as provided in section 290.01, subdivision 19d, clause (10).

(14) Alternative minimum taxable income excludes the income from operating in a job opportunity building zone as provided under section 469.317.

(15) Alternative minimum taxable income excludes the income from operating in a biotechnology and health sciences industry zone as provided under section 469.337.

(16) Alternative minimum taxable income excludes the income from operating in an international economic development zone as provided under section 469.326.

(17) Alternative minimum taxable income excludes the income attributable to an approved project under section 116J.8751.

Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.

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

Sec. 12. Minnesota Statutes 2008, section 290.0922, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** The following entities are exempt from the tax imposed by this section:

- (1) corporations exempt from tax under section 290.05;
- (2) real estate investment trusts;
- (3) regulated investment companies or a fund thereof; and
- (4) entities having a valid election in effect under section 860D(b) of the Internal Revenue Code;
- (5) town and farmers' mutual insurance companies;
- (6) cooperatives organized under chapter 308A or 308B that provide housing exclusively to persons age 55 and over and are classified as homesteads under section 273.124, subdivision 3;
- (7) an entity, if for the taxable year all of its property is located in a job opportunity building zone designated under section 469.314 and all of its payroll is a job opportunity building zone payroll under section 469.310; ~~and~~
- (8) an entity, if for the taxable year all of its property is located in an international economic development zone designated under section 469.322, and all of its payroll is international economic development zone payroll under section 469.321. The exemption under this clause applies to taxable years beginning during the duration of the international economic development zone; and
- (9) an entity, if for the taxable year its project percentage under section 116J.8751 is 100 percent.

Entities not specifically exempted by this subdivision are subject to tax under this section, notwithstanding section 290.05.

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

Sec. 13. Minnesota Statutes 2008, section 290.0922, subdivision 3, is amended to read:

Subd. 3. **Definitions.** (a) "Minnesota sales or receipts" means the total sales apportioned to Minnesota pursuant to section 290.191, subdivision 5, the total receipts attributed to Minnesota pursuant to section 290.191, subdivisions 6 to 8, and/or the total sales or receipts apportioned or attributed to Minnesota pursuant to any other apportionment formula applicable to the taxpayer.

(b) "Minnesota property" means total Minnesota tangible property as provided in section 290.191, subdivisions 9 to 11, any other tangible property located in Minnesota, but does not include: (1) property located in a job opportunity building zone designated under section 469.314, (2) property of a qualified business located in a biotechnology and health sciences industry zone designated under section 469.334, ~~or~~ (3) for taxable years beginning during the duration of the zone, property of a qualified business located in the international economic development zone designated under section 469.322, or (4) property attributable to a project approved under section 116J.8751. Intangible property shall not be included in Minnesota property for purposes of this section. Taxpayers who do not utilize tangible property to apportion income shall nevertheless include Minnesota property for purposes

of this section. On a return for a short taxable year, the amount of Minnesota property owned, as determined under section 290.191, shall be included in Minnesota property based on a fraction in which the numerator is the number of days in the short taxable year and the denominator is 365.

(c) "Minnesota payrolls" means total Minnesota payrolls as provided in section 290.191, subdivision 12, but does not include: (1) job opportunity building zone payrolls under section 469.310, subdivision 8, (2) biotechnology and health sciences industry zone payrolls under section 469.330, subdivision 8, ~~or~~ (3) for taxable years beginning during the duration of the zone, international economic development zone payrolls under section 469.321, subdivision 9, or (4) payroll attributable to a project approved under section 116J.8751. Taxpayers who do not utilize payrolls to apportion income shall nevertheless include Minnesota payrolls for purposes of this section.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Zellers amendment and the roll was called. There were 54 yeas and 73 nays as follows:

Those who voted in the affirmative were:

|              |            |           |           |          |           |
|--------------|------------|-----------|-----------|----------|-----------|
| Abeler       | Dettmer    | Garofalo  | Kath      | McNamara | Shimanski |
| Anderson, B. | Dittrich   | Gottwalt  | Kelly     | Murdock  | Slawik    |
| Anderson, P. | Doepke     | Gunther   | Kiffmeyer | Nornes   | Smith     |
| Anderson, S. | Downey     | Hackbarth | Kohls     | Olin     | Sterner   |
| Beard        | Drazkowski | Hamilton  | Lanning   | Peppin   | Torkelson |
| Buesgens     | Eastlund   | Holberg   | Loon      | Sanders  | Urdahl    |
| Davids       | Emmer      | Hoppe     | Mack      | Scott    | Welti     |
| Dean         | Faust      | Howes     | Magnus    | Seifert  | Westrom   |
| Demmer       | Fritz      | Jackson   | McFarlane | Severson | Zellers   |

Those who voted in the negative were:

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

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

H. F. No. 392, A bill for an act relating to taxation; providing a federal update; modifying computation of net income and payment of corporate franchise tax refunds; modifying requirements for appointment of commissioner of Department of Revenue; amending Minnesota Statutes 2008, sections 270C.02, subdivision 1; 289A.02, subdivision 7; 290.01, subdivisions 19, 19a, 19c, 19d, 31, by adding a subdivision; 290.067, subdivision 2a; 290A.03, subdivisions 3, 15; 291.005, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

## MOTIONS AND RESOLUTIONS

Dittrich moved that the name of Ward be added as an author on H. F. No. 104. The motion prevailed.

Solberg moved that the names of Brown, Poppe, Hamilton and Magnus be added as authors on H. F. No. 117. The motion prevailed.

Tillberry moved that the name of Dettmer be added as an author on H. F. No. 221. The motion prevailed.

Thissen moved that the name of Poppe be added as an author on H. F. No. 249. The motion prevailed.

Tillberry moved that the name of Laine be added as an author on H. F. No. 253. The motion prevailed.

Ruud moved that the name of Thissen be added as an author on H. F. No. 293. The motion prevailed.

Scalze moved that the name of Murphy, E., be added as an author on H. F. No. 330. The motion prevailed.

Fritz moved that the name of Sailer be added as an author on H. F. No. 337. The motion prevailed.

Hilstrom moved that the name of Murphy, E., be added as an author on H. F. No. 354. The motion prevailed.

Abeler moved that his name be stricken as an author on H. F. No. 357. The motion prevailed.

Ruud moved that the name of Abeler be added as an author on H. F. No. 358. The motion prevailed.

Norton moved that the names of Hornstein, Davnie and Dill be added as authors on H. F. No. 359. The motion prevailed.

Knuth moved that the name of Murphy, E., be added as an author on H. F. No. 362. The motion prevailed.

Slawik moved that the name of Murphy, E., be added as an author on H. F. No. 378. The motion prevailed.

Atkins moved that the name of Mahoney be added as an author on H. F. No. 417. The motion prevailed.

Hansen moved that the name of Murphy, E., be added as an author on H. F. No. 424. The motion prevailed.

Norton moved that the name of Murphy, E., be added as an author on H. F. No. 439. The motion prevailed.

Dean moved that the name of Abeler be added as an author on H. F. No. 455. The motion prevailed.

Thissen moved that the name of Abeler be added as an author on H. F. No. 465. The motion prevailed.

Liebling moved that the name of Abeler be added as an author on H. F. No. 491. The motion prevailed.

Scalze moved that the name of Murphy, E., be added as an author on H. F. No. 496. The motion prevailed.

Paymar moved that the name of Liebling be added as an author on H. F. No. 507. The motion prevailed.

Bly moved that the name of Jackson be added as an author on H. F. No. 508. The motion prevailed.

Simon moved that the name of Murphy, E., be added as an author on H. F. No. 512. The motion prevailed.

Sailer moved that the name of Murphy, E., be added as an author on H. F. No. 529. The motion prevailed.

Severson moved that the names of Ward and Persell be added as authors on H. F. No. 557. The motion prevailed.

Wagenius moved that the name of Murphy, E., be added as an author on H. F. No. 562. The motion prevailed.

Hortman moved that the name of Hansen be added as an author on H. F. No. 578. The motion prevailed.

Paymar moved that the names of Johnson and Mariani be added as authors on H. F. No. 584. The motion prevailed.

Paymar moved that the names of Johnson and Mariani be added as authors on H. F. No. 595. The motion prevailed.

Paymar moved that the names of Johnson and Mariani be added as authors on H. F. No. 596. The motion prevailed.

Clark moved that the name of Sailer be added as an author on H. F. No. 607. The motion prevailed.

Kahn moved that the name of Sailer be added as an author on H. F. No. 608. The motion prevailed.

Slocum moved that the name of Slawik be added as an author on H. F. No. 623. The motion prevailed.

Gardner moved that the name of Sailer be added as an author on H. F. No. 625. The motion prevailed.

Champion moved that the name of Abeler be added as an author on H. F. No. 643. The motion prevailed.

Mariani moved that the name of Abeler be added as an author on H. F. No. 645. The motion prevailed.

Seifert moved that the name of Dittrich be added as an author on H. F. No. 646. The motion prevailed.

Dettmer moved that the name of Abeler be added as an author on H. F. No. 671. The motion prevailed.

Kalin moved that the name of Sailer be added as an author on H. F. No. 680. The motion prevailed.

Knuth moved that the name of Murphy, E., be added as an author on H. F. No. 689. The motion prevailed.

Hortman moved that the names of Morgan, Greiling and Tillberry be added as authors on H. F. No. 690. The motion prevailed.

Kahn moved that the name of Abeler be added as an author on H. F. No. 692. The motion prevailed.

Smith moved that the name of Scalze be added as an author on H. F. No. 697. The motion prevailed.

Hosch moved that the name of Ward be added as an author on H. F. No. 703. The motion prevailed.

Loeffler moved that the name of Sailer be added as an author on H. F. No. 705. The motion prevailed.

Hortman moved that the names of Kath, Abeler and Persell be added as authors on H. F. No. 707. The motion prevailed.

Nelson moved that the name of Abeler be added as an author on H. F. No. 709. The motion prevailed.

Kahn moved that the names of Abeler and Scalze be added as authors on H. F. No. 724. The motion prevailed.

Mullery moved that the name of Mahoney be added as an author on H. F. No. 731. The motion prevailed.

Mariani moved that the name of Abeler be added as an author on H. F. No. 740. The motion prevailed.

Hilstrom moved that the name of Slawik be added as an author on H. F. No. 742. The motion prevailed.

Howes moved that the name of Sailer be added as an author on H. F. No. 749. The motion prevailed.

Hortman moved that the name of Abeler be added as an author on H. F. No. 756. The motion prevailed.

Ward moved that the name of Cornish be added as an author on H. F. No. 760. The motion prevailed.

Atkins moved that the name of Abeler be added as an author on H. F. No. 772. The motion prevailed.

Knuth moved that the name of Murphy, E., be added as an author on H. F. No. 774. The motion prevailed.

Dittrich moved that the names of Ward and Scalze be added as authors on H. F. No. 780. The motion prevailed.

Thissen moved that the name of Kath be added as an author on H. F. No. 788. The motion prevailed.

Olin moved that his name be stricken as an author on H. F. No. 792. The motion prevailed.

Morrow moved that the names of Slocum and Reinert be added as authors on H. F. No. 796. The motion prevailed.

Emmer moved that the names of Hamilton, Torkelson and Magnus be added as authors on H. F. No. 797. The motion prevailed.

Cornish moved that the names of Doty, Holberg, Hamilton, Draskowski and Gottwalt be added as authors on H. F. No. 800. The motion prevailed.

Buesgens moved that the name of Slocum be added as an author on H. F. No. 806. The motion prevailed.

Hornstein moved that the name of Mariani be added as an author on H. F. No. 809. The motion prevailed.

Lenczewski moved that the names of Sterner, Doty and Morgan be added as authors on H. F. No. 816. The motion prevailed.

Hilstrom moved that the names of Doty and Simon be added as authors on H. F. No. 818. The motion prevailed.

Hausman moved that the name of Reinert be added as an author on H. F. No. 820. The motion prevailed.

Norton moved that the name of Kelly be added as an author on H. F. No. 823. The motion prevailed.

Hansen moved that the names of Bigham, Atkins and Mariani be added as authors on H. F. No. 828. The motion prevailed.

Kohls moved that the names of Dittrich, Masin, Jackson, Simon and Scalze be added as authors on H. F. No. 834. The motion prevailed.

Juhnke moved that the name of Masin be added as an author on H. F. No. 840. The motion prevailed.

Slocum moved that the names of Mariani and Murphy, E., be added as authors on H. F. No. 843. The motion prevailed.

Lieder moved that the names of Torkelson; Anderson, P., and Hamilton be added as authors on H. F. No. 846. The motion prevailed.

Brynaert moved that the name of Simon be added as an author on H. F. No. 848. The motion prevailed.

Hausman moved that the name of Reinert be added as an author on H. F. No. 855. The motion prevailed.

Emmer moved that the name of Urdahl be added as an author on H. F. No. 857. The motion prevailed.

Hosch moved that the name of Morgan be added as an author on H. F. No. 866. The motion prevailed.

Marquart moved that the name of Ward be added as an author on H. F. No. 872. The motion prevailed.

Marquart moved that the names of Kath and Jackson be added as authors on H. F. No. 873. The motion prevailed.

Champion moved that the name of Slocum be added as an author on H. F. No. 883. The motion prevailed.

Haws moved that the name of Jackson be added as an author on H. F. No. 889. The motion prevailed.

Atkins moved that the name of Sailer be added as an author on H. F. No. 894. The motion prevailed.

Hornstein moved that the names of Persell, Tillberry and Murphy, E., be added as authors on H. F. No. 898. The motion prevailed.

Mullery moved that H. F. No. 84 be recalled from the Committee on Commerce and Labor and be re-referred to the Committee on Civil Justice. The motion prevailed.

Winkler moved that H. F. No. 475 be recalled from the Committee on Taxes and be re-referred to the Committee on Commerce and Labor. The motion prevailed.

Rukavina moved that H. F. No. 480 be recalled from the Higher Education and Workforce Development Finance and Policy Division and be re-referred to the Energy Finance and Policy Division. The motion prevailed.

Juhnke moved that H. F. No. 977 be recalled from the Committee on Environment Policy and Oversight and be re-referred to the Committee on Finance. The motion prevailed.

#### FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Solberg announced his intention to place H. F. No. 886 on the Fiscal Calendar for Monday, February 23, 2009.

#### ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 1:00 p.m., Monday, February 23, 2009. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Monday, February 23, 2009.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives