

## STATE OF MINNESOTA

## EIGHTY-SEVENTH SESSION — 2012

## EIGHTY-FIFTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 13, 2012

The House of Representatives convened at 12:00 noon and was called to order by Kurt Zellers, Speaker of the House.

Prayer was offered by the Reverend David D. Colby, Central Presbyterian Church, St. Paul, 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	Dean	Hancock	Laine	Murdock	Shimanski
Allen	Dettmer	Hansen	Lanning	Murphy, E.	Simon
Anderson, B.	Dill	Hausman	Leidiger	Murphy, M.	Slawik
Anderson, D.	Dittrich	Hilstrom	LeMieur	Murray	Slocum
Anderson, P.	Doepke	Hilty	Lenczewski	Myhra	Smith
Anderson, S.	Downey	Holberg	Lesch	Nelson	Stensrud
Anzelc	Drazkowski	Hoppe	Liebling	Nornes	Swedzinski
Atkins	Eken	Hornstein	Lillie	Norton	Thissen
Banaian	Erickson	Hortman	Loeffler	O'Driscoll	Tillberry
Barrett	Fabian	Hosch	Lohmer	Paymar	Torkelson
Beard	Falk	Howes	Loon	Pelowski	Urdahl
Benson, J.	Franson	Huntley	Mack	Peppin	Vogel
Benson, M.	Fritz	Johnson	Mahoney	Persell	Wagenius
Bills	Garofalo	Kahn	Marquart	Peterson, S.	Ward
Brynaert	Gauthier	Kath	Mazorol	Poppe	Wardlow
Buesgens	Gottwalt	Kelly	McDonald	Quam	Westrom
Carlson	Greene	Kieffer	McElfatrick	Rukavina	Winkler
Champion	Greiling	Kiel	McFarlane	Runbeck	Woodard
Cornish	Gruenhagen	Kiffmeyer	McNamara	Sanders	Spk. Zellers
Crawford	Gunther	Knuth	Melin	Scalze	
Daudt	Hackbarth	Koenen	Morrow	Schomacker	
Davids	Hamilton	Kriesel	Mullery	Scott	

A quorum was present.

Clark, Davnie and Petersen, B., were excused.

Moran was excused until 12:20 p.m. Mariani was excused until 12:30 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

## REPORTS OF CHIEF CLERK

S. F. No. 1567 and H. F. No. 2095, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Fabian moved that the rules be so far suspended that S. F. No. 1567 be substituted for H. F. No. 2095 and that the House File be indefinitely postponed. The motion prevailed.

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Beard from the Committee on Transportation Policy and Finance to which was referred:

H. F. No. 1333, A bill for an act relating to transportation; providing for construction manager/general contractor contracts; amending Minnesota Statutes 2010, section 13.72, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 161.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 13.72, is amended by adding a subdivision to read:

Subd. 17. **Construction manager/general contractor data.** (a) When the Department of Transportation undertakes a construction manager/general contractor contract, as defined and authorized in sections 161.3207 to 161.3209, the provisions of this subdivision apply.

(b) When the commissioner of transportation solicits a request for qualifications:

(1) the following data are classified as protected nonpublic data:

(i) the statement of qualifications scoring evaluation manual; and

(ii) the statement of qualifications evaluations;

(2) the following data are classified as nonpublic data: the statement of qualifications submitted by a potential construction manager/general contractor; and

(3) the following data are classified as private data on individuals: identifying information concerning the members of the technical review committee.

(c) When the commissioner of transportation announces the short list of qualified construction managers/general contractors, the following data become public:

(1) the statement of qualifications scoring evaluation manual; and

(2) the statement of qualifications evaluations.

(d) When the commissioner of transportation solicits a request for proposals:

(1) the following data are classified as protected nonpublic data: the proposal scoring manual; and

(2) the following data are classified as nonpublic data:

(i) the proposals submitted by a potential construction manager/general contractor; and

(ii) the proposal evaluations.

(e) When the commissioner of transportation has completed the ranking of proposals and announces the selected construction manager/general contractor, the proposal evaluation score or rank and proposal evaluations become public.

(f) When the commissioner of transportation conducts contract negotiations with a construction manager/general contractor, government data created, collected, stored, and maintained during those negotiations are nonpublic data until a construction manager/general contractor contract is fully executed.

(g) When the construction manager/general contractor contract is fully executed or when the commissioner of transportation decides to use another contract procurement process other than construction manager/general contractor authority authorized under section 161.3209, subdivision 3, paragraph (b), all remaining data not already made public under this subdivision become public.

(h) If the commissioner of transportation rejects all responses to a request for proposals before a construction manager/general contractor contract is fully executed, all data other than that data made public under this subdivision retains its classification until a resolicitation of the request for proposals results in a fully executed construction manager/general contractor contract, or a determination is made to abandon the project. If a resolicitation of proposals does not occur within one year of the announcement of the request for proposals, the remaining data become public.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires following the acceptance of ten construction manager/general contractor contracts.

**Sec. 2. [161.3207] CONSTRUCTION MANAGER/GENERAL CONTRACTOR; DEFINITIONS.**

**Subdivision 1. Scope.** The terms used in sections 161.3207 to 161.3209 have the meanings given them in this section.

**Subd. 2. Acceptance.** "Acceptance" means an action of the commissioner authorizing the execution of a construction manager/general contractor contract.

**Subd. 3. Commissioner.** "Commissioner" means the commissioner of transportation.

**Subd. 4. Construction manager/general contractor.** "Construction manager/general contractor" means a proprietorship, partnership, limited liability partnership, joint venture, corporation, any type of limited liability company, professional corporation, or any legal entity selected by the commissioner to act as a construction manager to manage the construction process, which includes, but is not limited to, responsibility for the price, schedule, and execution of preconstruction services or the workmanship of construction performed according to section 161.3209, or both.

**Subd. 5. Construction manager/general contractor contract.** "Construction manager/general contractor contract" means a contract for construction of a project between a construction manager/general contractor and the commissioner, which must include terms providing for a price, construction schedule, and workmanship of the

construction performed. The construction manager/general contractor contract may include provisions for incremental price contracts for specific work packages, additional work performed, contingencies, or other contract provisions that will allow the commissioner to negotiate time and cost changes to the contract.

**Subd. 6. Past performance; experience.** "Past performance" or "experience" does not include the exercise or assertion of a person's legal rights.

**Subd. 7. Preconstruction services.** "Preconstruction services" means all non-construction-related services that a construction manager/general contractor is allowed to perform before execution of a construction manager/general contractor contract or work package.

**Subd. 8. Preconstruction services contract.** "Preconstruction services contract" means a contract under which a construction manager/general contractor is paid on the basis of the actual cost to perform the work specified in the contract plus an amount for overhead and profit for all preconstruction services.

**Subd. 9. Project.** "Project" means any project selected by the commissioner as a construction manager/general contractor project under section 161.3208.

**Subd. 10. Request for proposals; RFP.** "Request for proposals" or "RFP" means the document or publication soliciting proposals for a construction manager/general contractor contract.

**Subd. 11. Request for qualifications; RFQ.** "Request for qualifications" or "RFQ" means a document or publication used to prequalify and short-list potential construction managers/general contractors.

**Subd. 12. Work package.** "Work package" means the scope of work for a defined portion of a project. A defined portion includes construction services on any project aspect, including procuring materials or services.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires following the acceptance of ten construction manager/general contractor contracts.

### **Sec. 3. [161.3208] CONSTRUCTION MANAGER/GENERAL CONTRACTOR; AUTHORITY.**

**Subdivision 1. Selection authority; limitation.** Notwithstanding sections 16C.25, 161.32, and 161.321, or any other law to the contrary, the commissioner may select a construction manager/general contractor as provided in section 161.3209, and award a construction manager/general contractor contract. The number of awarded contracts shall not exceed four in any calendar year.

**Subd. 2. Determination.** Final determination to use a construction manager/general contractor contracting procedure may be made only by the commissioner.

**Subd. 3. Cancellation.** The solicitation of construction manager/general contractor requests for qualifications or proposals does not obligate the commissioner to enter into a construction manager/general contractor contract. The commissioner may accept or reject any or all responses received as a result of the request. The solicitation of proposals may be canceled at any time at the commissioner's sole discretion if cancellation is considered to be in the state's best interest. If the commissioner rejects all responses or cancels the solicitation for proposals, the commissioner may resolicit a request for proposals using the same or different requirements.

**Subd. 4. Reporting.** The commissioner shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and transportation finance each time the commissioner decides to use the construction manager/general contractor method of procurement and explain why that method was chosen.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires following the acceptance of ten construction manager/general contractor contracts.

Sec. 4. **[161.3209] CONSTRUCTION MANAGER/GENERAL CONTRACTOR; PROCEDURES.**

Subdivision 1. Solicitation of proposals. If the commissioner determines that a construction manager/general contractor method of procurement is appropriate for a project, the commissioner shall establish a two-phase procedure for awarding the construction manager/general contractor contract, as described in subdivisions 2 and 3.

Subd. 2. Phase 1 - request for proposals. (a) The commissioner shall prepare or have prepared an RFP for each construction manager/general contractor contract as provided in this section. The RFP must contain, at a minimum, the following elements:

- (1) the minimum qualifications of the construction manager/general contractor;
- (2) the procedures for submitting proposals and the criteria for evaluation of qualifications and the relative weight for each criteria;
- (3) the form of the contract to be awarded;
- (4) the scope of intended construction work;
- (5) a listing of the types of preconstruction services that will be required;
- (6) an anticipated schedule for commencing and completing the project;
- (7) any applicable budget limits for the project;
- (8) the requirements for insurance, statutorily required performance, and payment bonds;
- (9) the requirements that the construction manager/general contractor provide a letter from a surety or insurance company stating that the construction manager/general contractor is capable of obtaining a performance bond and payment bond covering the estimated contract cost;
- (10) the method for how construction manager/general contractor fees for the preconstruction services contract will be negotiated;
- (11) a statement that past performance or experience does not include the exercise or assertion of a person's legal rights; and
- (12) any other information desired by the commissioner.

(b) Before receiving any responses to the RFP:

(1) the commissioner shall appoint a technical review committee of at least five individuals, of which one is a Department of Transportation manager who is also a licensed professional engineer in Minnesota;

(2) the technical review committee shall evaluate the construction manager/general contractor proposals according to criteria and subcriteria published in the RFP and procedures established by the commissioner. The commissioner shall, as designated in the RFP, evaluate construction manager/general contractor proposals on the basis of best value as defined in section 16C.05, or using the qualifications-based selection process set forth in section 16C.095, except that section 16C.095, subdivision 1, shall not apply. If the commissioner does not receive at least two proposals from construction managers, the commissioner may:

(i) solicit new proposals;

(ii) revise the RFP and thereafter solicit new proposals using the revised RFP;

(iii) select another allowed procurement method; or

(iv) reject the proposals; and

(3) the technical review committee shall evaluate the responses to the request for proposals and rank the construction manager/general contractor based on the predefined criteria set forth in the RFP in accordance with paragraph (a), clause (2).

(c) Unless all proposals are rejected, the commissioner shall conduct contract negotiations for a preconstruction services contract with the construction manager/general contractor with the highest ranking. If the construction manager/general contractor with the highest ranking declines or is unable to reach an agreement, the commissioner may begin contract negotiations with the next highest ranked construction manager/general contractor.

(d) Before issuing the RFP, the commissioner may elect to issue a request for qualifications (RFQ) and short-list the most highly qualified construction managers/general contractors. The RFQ must include the procedures for submitting statements of qualification, the criteria for evaluation of qualifications, and the relative weight for each criterion. The statements of qualifications must be evaluated by the technical review committee.

**Subd. 3. Phase 2 - construction manager/general contractor contract.** (a) Before conducting any construction-related services, the commissioner shall:

(1) conduct an independent cost estimate for the project or each work package; and

(2) conduct contract negotiations with the construction manager/general contractor to develop a construction manager/general contractor contract. This contract must include a minimum construction manager/general contractor self-performing requirement of 30 percent of the negotiated cost. Items designated in the construction manager/general contractor contract as specialty items may be subcontracted and the cost of any specialty item performed under the subcontract will be deducted from the cost before computing the amount of work required to be performed by the contractor.

(b) If the construction manager/general contractor and the commissioner are unable to negotiate a contract, the commissioner may use other contract procurement processes or may readvertise the construction manager/general contractor contract. The construction manager/general contractor may bid or propose on the project if advertised under section 161.32 or 161.3206, or join a design-build team if advertised under sections 161.3410 to 161.3428.

(c) The commissioner shall provide to all bidders or design-build teams all data shared between the commissioner and the construction manager/general contractor during the contract negotiations under this subdivision.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires following the acceptance of ten construction manager/general contractor contracts.

## Sec. 5. **LEGISLATIVE REPORTS ON CONTRACTING.**

**Subdivision 1. Submission of reports.** The commissioner shall report on experience with and evaluation of the construction manager/general contractor method of contracting authorized in Minnesota Statutes, sections 161.3207 to 161.3209. The reports must be submitted to the chairs and ranking minority members of the legislative

committees with jurisdiction over transportation policy or transportation finance and in compliance with Minnesota Statutes, sections 3.195 and 3.197. An interim report must be submitted no later than 12 months following the commissioner's acceptance of five construction manager/general contractor contracts. A final report must be submitted no later than 12 months following the commissioner's acceptance of ten construction manager/general contractor contracts.

Subd. 2. **Content of reports.** The reports must include: (1) a description of circumstances of any projects as to which construction manager/general contractor requests for qualifications or requests for proposals were solicited, followed by a cancellation of the solicitation; (2) a description of projects as to which construction manager/general contractor method was utilized; (3) a comparison of project cost estimates with final project costs, if available; and (4) evaluation of the construction manager/general contractor method of procurement with respect to implications for project cost, use of innovative techniques, completion time, and obtaining maximum value. The final report must also include recommendations as to continued use of the program and desired modifications to the program, and recommended legislation to continue, discontinue, or modify the program.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires following the acceptance of ten construction manager/general contractor contracts."

Delete the title and insert:

"A bill for an act relating to transportation; contracts; providing for construction manager contracting authority and related regulations; requiring a legislative report on contracting; amending Minnesota Statutes 2010, section 13.72, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 161."

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

The report was adopted.

Peppin from the Committee on Government Operations and Elections to which was referred:

H. F. No. 1517, A bill for an act relating to state government; designating an official state pipe band; proposing coding for new law in Minnesota Statutes, chapter 1.

Reported the same back with the following amendments:

Page 1, line 6, after "official" insert "Fire Service Memorial"

Amend the title as follows:

Page 1, line 2, after the second "state" insert "Fire Service Memorial"

With the recommendation that when so amended the bill pass.

The report was adopted.

Beard from the Committee on Transportation Policy and Finance to which was referred:

H. F. No. 1670, A bill for an act relating to pupil transportation; allowing federal substance testing to fulfill testing requirements for type III vehicle drivers; amending Minnesota Statutes 2010, section 171.02, subdivision 2b.

Reported the same back with the following amendments:

Page 3, line 26, delete "653, or 654" and insert "or 655"

With the recommendation that when so amended the bill pass.

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 1819, A bill for an act relating to the military; beyond the yellow ribbon program; civil immunity; proposing coding for new law in Minnesota Statutes, chapter 192.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **192.535 CIVIL IMMUNITY; BEYOND THE YELLOW RIBBON PROGRAM.**

**Subdivision 1. Definitions.** As used in this section, the following terms have the meanings given them:

(1) "program" means the "Beyond the Yellow Ribbon" program;

(2) "program administrator" means any individual with responsibility for coordinating the program or coordinating volunteers participating in the program; and

(3) "services" means any voluntary assistance coordinated by the program that is related to an active or reserve service member's or the service member's family's home maintenance, transportation, physical or emotional health, personal finances, or other similar needs and that is provided to the service member or to an immediate family member of the service member before, during, or after the service member's mobilization or deployment for a contingency operation ordered by a proper military authority.

Subd. 2. Civil immunity. (a) A program administrator and any person that, in good faith, participates in any capacity in the program and provides services is not liable for damages resulting from the acts or omissions by that person in providing the services, provided that the person providing the services is liable if the act or omission is willful, wanton, or reckless.

(b) A recipient of services provided by a person participating in any capacity in the program is not liable for damages incurred by the person in the course of providing the services, unless the damage is the result of a willful, wanton, or reckless act or omission of the recipient.

Subd. 3. **Exception.** This section does not apply:

(1) to the extent the acts or omissions are covered by an insurance policy issued to the person or to the entity for whom the person serves;

(2) to a person who provides services during the course of the person's regular employment and for which the person receives compensation; or

(3) to a person who provides voluntary services that the person also provides for compensation in the normal course of business, if the person is not insured for damages or injury that may result from those services and the person does not notify, in writing, the program and the recipient of the services of this fact before providing the services.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to damages incurred on or after that date.

Sec. 2. Minnesota Statutes 2010, section 363A.17, is amended to read:

**363A.17 BUSINESS DISCRIMINATION.**

It is an unfair discriminatory practice for a person engaged in a trade or business or in the provision of a service:

(1) to refuse to do business with or provide a service to a woman based on her use of her current or former surname; or

(2) to impose, as a condition of doing business with or providing a service to a woman, that a woman use her current surname rather than a former surname; or

(3) to intentionally refuse to do business with, to refuse to contract with, or to discriminate in the basic terms, conditions, or performance of the contract because of a person's race, national origin, color, sex, sexual orientation, ~~or~~ disability, or military service status, unless the alleged refusal or discrimination is because of a legitimate business purpose.

Nothing in this section shall prohibit positive action plans."

Delete the title and insert:

"A bill for an act relating to the military; providing civil immunity from damages in certain situations; modifying business discrimination provision; amending Minnesota Statutes 2010, section 363A.17; proposing coding for new law in Minnesota Statutes, chapter 192."

With the recommendation that when so amended the bill pass.

The report was adopted.

Shimanski from the Committee on Judiciary Policy and Finance to which was referred:

H. F. No. 1899, A bill for an act relating to crime victims; establishing Jacob's law; requiring notification by law enforcement to social services if a child is neglected or abused outside the home; amending parental rights under custody orders to include police reports on minor children; amending Minnesota Statutes 2010, sections 518.17, subdivision 3; 626.556, subdivision 10a.

Reported the same back with the following amendments:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2010, section 518.17, subdivision 3, is amended to read:

Subd. 3. **Custody order.** (a) Upon adjudging the nullity of a marriage, or in a dissolution or separation proceeding, or in a child custody proceeding, the court shall make such further order as it deems just and proper concerning:

(1) the legal custody of the minor children of the parties which shall be sole or joint;

(2) their physical custody and residence; and

(3) their support. In determining custody, the court shall consider the best interests of each child and shall not prefer one parent over the other solely on the basis of the sex of the parent.

(b) The court shall grant the following rights to each of the parties, unless specific findings are made under section 518.68, subdivision 1. Each party has the following rights:

(1) right of access to, and to receive copies of, school, medical, dental, religious training, police reports, and other important records and information about the minor children. ~~Each party has the;~~

(2) right of access to information regarding health or dental insurance available to the minor children. ~~Each party shall keep the other party;~~

(3) right to be informed by the other party as to the name and address of the school of attendance of the minor children. ~~Each party has the;~~

(4) right to be informed by school officials about the children's welfare, educational progress and status, and to attend school and parent-teacher conferences. The school is not required to hold a separate conference for each party. ~~In case of an accident or serious illness of a minor child, each party shall notify;~~

(5) right to be notified by the other party of the an accident or serious illness of a minor child, and including the name of the health care provider and the place of treatment. ~~Each party has the;~~

(6) right to be notified by the other party if the minor child is the victim of an alleged crime, including the name of the investigating law enforcement officer or agency. There is no duty to notify if the party to be notified is the alleged perpetrator; and

(7) right to reasonable access and telephone contact with the minor children.

(c) The court may waive any of the rights under this section if it finds it is necessary to protect the welfare of a party or child.

(d) If a court order or law prohibits contact by a party, notification required under paragraph (b), clauses (1), (2), (3), (5), and (6), shall not be by direct communication of the parties. Third-party communication shall be limited to the specific purposes delineated in this subdivision. Nothing in this subdivision shall modify, suspend, revoke, or terminate a court order or law that prohibits contact by a party.

(e) If one of the parties is a program participant under chapter 5B, the other party shall send all information and notifications required under paragraph (b), clauses (1), (2), (3), (5), and (6), to the participant's designated address. The program participant is exempted from the requirements of paragraph (b).

(f) Failure to notify or inform a party of rights under paragraph (b) does not form a basis for modification under section 518.18, paragraph (d), clause (iv), unless other grounds are alleged which would support a modification."

With the recommendation that when so amended the bill pass.

The report was adopted.

Beard from the Committee on Transportation Policy and Finance to which was referred:

H. F. No. 1901, A bill for an act relating to commerce; amending regulation of scrap metal processing; requiring proof of ownership or hold period for vehicles purchased for scrap; creating the automated property system; creating criminal penalties; amending Minnesota Statutes 2010, sections 168.27, subdivisions 1a, 19a, 23, 24; 168A.153, subdivisions 1, 2; 325E.21, subdivisions 1, 1a, 3, 8, 9; proposing coding for new law in Minnesota Statutes, chapter 168A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **168.2705] SCRAP VEHICLE DEALERS; PROOF OF TITLE OR HOLD.**

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

(b) "Proof of identification" means the seller's valid driver's license, valid Minnesota identification card, or other identification document issued by any state, federal, or foreign government if the document includes the person's photograph, full name, birth date, and signature.

(c) "Scrap vehicle" means a motor vehicle acquired: (1) for processing and selling the metal for remelting, or (2) for dismantling and selling used parts and remaining scrap materials.

(d) "Scrap vehicle dealer" means a licensee under section 168.27 that acquires scrap vehicles.

Subd. 2. **Scrap vehicle transactions.** (a) A scrap vehicle dealer who acquires a scrap vehicle must obtain:

(1) except as provided in paragraph (b), a certificate of title or salvage title matching the vehicle identification number of the scrap vehicle, and any applicable lien releases;

(2) a copy of the seller's proof of identification; and

(3) a statement signed by the seller, under penalty of perjury, attesting that the motor vehicle is not stolen and is free of any liens or encumbrances and that the seller has the right to sell the motor vehicle.

(b) A scrap vehicle dealer may agree to purchase a scrap vehicle without proof of title under paragraph (a), clause (1), provided that the dealer shall:

(1) enter into a purchase agreement with the seller, which must include the following information on the scrap vehicle: (i) vehicle identification number; (ii) make, model, and color; and (iii) license plate number, if any;

(2) not scrap, dismantle, or in any way destroy the scrap vehicle for seven days following the date of the purchase agreement; and

(3) report the vehicle identification number to the local law enforcement agency having jurisdiction over the scrap vehicle dealer's business, within one business day following the date of the purchase agreement.

Subd. 3. **Purchase from other dealers or merchants.** (a) Subdivision 2 does not apply when a scrap vehicle is purchased from:

(1) an insurance company, rental car company, financial institution, or charity; or

(2) a licensee under section 168.27.

(b) A scrap vehicle dealer acquiring a scrap vehicle under this subdivision shall obtain the seller's business name and address, a copy of the seller's proof of identification, and, if available, a bill of sale or other evidence of open or legitimate purchase.

Subd. 4. **Retention period; investigative holds and seizure.** (a) Copies of documentation and reports required under this section shall be retained by the scrap vehicle dealer for a minimum period of three years and shall at all reasonable times be open to the inspection of any law enforcement agency or officer.

(b) The provisions of section 325E.21, subdivision 8, apply to scrap vehicles in the possession of a scrap vehicle dealer.

**EFFECTIVE DATE.** This section is effective July 1, 2012, and applies to transactions occurring on or after that date."

Delete the title and insert:

"A bill for an act relating to transportation; amending regulation of scrap vehicle purchasing; proposing coding for new law in Minnesota Statutes, chapter 168."

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

The report was adopted.

Anderson, B., from the Veterans Services Division to which was referred:

H. F. No. 1982, A bill for an act relating to higher education; establishing an educational program for veterans and their spouses and certain dependents; proposing coding for new law in Minnesota Statutes, chapter 135A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[135A.53] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this section and section 135A.54, the following words have the meanings given them.

Subd. 2. **Course.** "Course" means any course of study offered by a state-supported institution of higher education in the regular curriculum of a department, school, or subdivision of the institution.

Subd. 3. **Eligible person.** "Eligible person" means a veteran or a veteran's spouse who meets the criteria under section 135A.54, subdivision 2.

Subd. 4. **Legal resident.** "Legal resident" means a person who fulfills the residency criteria applicable to students of a state-supported institution of higher education.

Subd. 5. **Institution of higher education.** "Institution of higher education" means a state university, public two-year college, or the University of Minnesota.

Subd. 6. **Veteran.** "Veteran" has the meaning given in section 197.447.

## Sec. 2. **[135A.54] VETERAN EDUCATION PROGRAM.**

Subdivision 1. **Fees and tuition.** (a) Except for an administration fee established by the governing board at a level to recover costs, to be collected only when a course is taken for credit, an eligible person who is a legal resident of Minnesota is entitled without payment of tuition or activity fees to attend courses offered for credit, audit any courses offered for credit, or enroll in any noncredit courses in any state-supported institution of higher education in Minnesota when space is available after all tuition-paying students have been accommodated. An eligible person enrolled under this section must pay any materials, personal property, or service charges for the course. In addition, an eligible person who is enrolled in a course for credit must pay an administrative fee in an amount established by the governing board of the institution to recover costs. An eligible person shall not be charged an administrative fee for auditing a course.

(b) If there is space available in a course after an eligible person has enrolled and paid for the course, the institution of higher education must apply the tuition to another course or to any outstanding balance.

Subd. 2. **Eligibility.** A person is eligible to register and enroll in courses under subdivision 1 if that person is:

(1) a veteran who has been eligible for postsecondary educational assistance under section 197.791 or any federal educational benefits for veterans but, at the time of registration, is no longer eligible for assistance under the Minnesota GI Bill, any other state educational benefit for veterans or Minnesota National Guard, or any federal educational benefits for veterans; or

(2) the spouse of a veteran who has been eligible, as a spouse, for postsecondary educational assistance under section 197.791 or any federal educational benefits available to a spouse of veterans but, at the time of registration, is no longer eligible for assistance under the Minnesota GI Bill or any federal educational benefits available to a veteran's spouse.

Subd. 3. **Terms; limits.** An eligible person may enroll in a lifetime maximum of 24 semester credits under subdivision 1. There are no income limitations imposed in determining eligibility under subdivision 1. Enrollment in a closed enrollment contract training program or in any part of a farm or small business management education program that includes on-site individualized instruction is not eligible for benefits under subdivision 1.

Subd. 4. **Catalog statement.** Each state-supported institution of higher education shall prominently include in its catalog a statement of benefits provided for eligible persons.

Subd. 5. **Determination of qualifications.** The institution shall determine whether a person qualifies for, and require execution of appropriate forms to request, the benefits available under this section.

Subd. 6. **Reimbursement.** An institution of higher education with students enrolled under subdivision 1 may apply to the commissioner of veterans affairs for cost reimbursement. The commissioner of veterans affairs shall allocate funds remaining under section 197.791, subdivision 6, after payment of all Minnesota GI Bill educational benefits, to participating institutions of higher education based on the number of credits completed by eligible persons. If the remaining appropriation in any fiscal year is insufficient to meet each higher education institution's application for cost reimbursement, the commissioner of veterans affairs shall prorate payments to be within the amount of available appropriations.

Sec. 3. Minnesota Statutes 2010, section 197.791, subdivision 6, is amended to read:

Subd. 6. **Appropriation.** The amount necessary to pay the benefit amounts in subdivision 5 and cost reimbursement for higher education institutions for academic credits taken under section 135A.54 is appropriated from the general fund to the commissioner. After payment of benefit amounts under subdivision 5, the commissioner shall pay cost reimbursement to higher education institutions that apply under section 135A.54, subdivision 6. Payments to institutions must be based on the number of credits completed by eligible veterans or spouses. During any fiscal year beginning on or after July 1, 2013, the amount paid under this subdivision must not exceed \$6,000,000.

Sec. 4. **EFFECTIVE DATE; EXPIRATION.**

Sections 1 to 3 are effective for academic courses beginning on or after July 1, 2012. This program expires on June 30, 2019."

Delete the title and insert:

"A bill for an act relating to higher education; establishing veteran education program; appropriating money; amending Minnesota Statutes 2010, section 197.791, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 135A."

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

The report was adopted.

Peppin from the Committee on Government Operations and Elections to which was referred:

H. F. No. 1993, A bill for an act relating to human services; modifying advisory council provisions; amending Minnesota Statutes 2010, sections 254A.035, subdivision 2; 254A.04; 256B.093, subdivision 1; 260.835, subdivision 2.

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

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 1994, A bill for an act relating to state government; making changes to health and human services policy provisions; modifying provisions related to continuing care, the telephone equipment program, chemical and mental health, and health care; reforming comprehensive assessment and case management services; making technical changes; requiring reports; amending Minnesota Statutes 2010, sections 144A.071, subdivision 5a; 237.50; 237.51; 237.52; 237.53; 237.54; 237.55; 237.56; 245.461, by adding a subdivision; 245.462, subdivision 20; 245.487, by adding a subdivision; 245.4871, subdivision 15; 245.4932, subdivision 1; 245A.11, subdivisions 2a, 8; 246.53, by adding a subdivision; 252.32, subdivision 1a; 252A.21, subdivision 2; 256.476, subdivision 11; 256.9657, subdivision 1; 256B.04, subdivision 14; 256B.056, subdivision 3c; 256B.0595, subdivision 2; 256B.0625, subdivisions 13, 13d, 19c, 42; 256B.0659, subdivisions 1, 2, 3, 3a, 4, 9, 13, 14, 19, 21, 30; 256B.0911, subdivisions 1, 2b, 2c, 3, 3b, 4c, 6; 256B.0913, subdivisions 7, 8; 256B.0915, subdivisions 1a, 1b, 3c, 6; 256B.0916, subdivision 7; 256B.092, subdivisions 1, 1a, 1b, 1e, 1g, 2, 3, 5, 7, 8, 8a, 9, 11; 256B.096, subdivision 5; 256B.15, subdivisions 1c, 1f; 256B.19, subdivision 1c; 256B.441, subdivisions 13, 31, 53; 256B.49, subdivisions 13, 21; 256B.69, subdivision 5; 256F.13, subdivision 1; 256G.02, subdivision 6; 256L.05, subdivision 3; 514.982, subdivision 1; Minnesota Statutes 2011 Supplement, sections 125A.21, subdivision 7; 144A.071, subdivisions 3, 4a; 245A.03, subdivision 7; 254B.04, subdivision 2a; 256B.056, subdivision 3; 256B.057, subdivision 9; 256B.0625, subdivisions 13e, 13h, 14, 56; 256B.0631, subdivisions 1, 2; 256B.0659, subdivision 11; 256B.0911, subdivisions 1a, 3a, 4a; 256B.0915, subdivision 10; 256B.49, subdivisions 14, 15; 256B.69, subdivisions 5a, 28; 256L.12, subdivision 9; 256L.15, subdivision 1; 626.557, subdivision 9; Laws 2009, chapter 79, article 8, section 81, as amended; proposing coding for new law in Minnesota Statutes, chapter 252; repealing Minnesota Statutes 2010, sections 256.01, subdivision 18b; 256B.431, subdivisions 2c, 2g, 2i, 2j, 2k, 2l, 2o, 3c, 11, 14, 17b, 17f, 19, 20, 25, 27, 29; 256B.434, subdivisions 4a, 4b, 4c, 4d, 4e, 4g, 4h, 7, 8; 256B.435; 256B.436; Minnesota Statutes 2011 Supplement, section 256B.431, subdivision 26; Minnesota Rules, part 9555.7700.

Reported the same back with the following amendments:

Page 89, line 1, delete "a time-limited" and insert "an"

With the recommendation that when so amended the bill pass.

The report was adopted.

Davids from the Committee on Taxes to which was referred:

H. F. No. 2083, A bill for an act relating to education; providing funding and modifying certain early, adult, and kindergarten through grade 12 education provisions, including general education, education excellence, special programs, facilities and technology, nutrition and accounting, libraries, and prevention; providing education forecast adjustments; appropriating money; amending Minnesota Statutes 2010, sections 13.43, subdivision 2; 122A.40, subdivisions 10, 11, 13, 19; 122A.41, subdivisions 14, 15; 123A.75, subdivision 1; 123B.41, by adding a subdivision; 123B.42; 123B.43; 124D.111, subdivision 3; 124D.518, subdivision 3, by adding a subdivision; 124D.531, by adding a subdivision; 126C.10, subdivision 28; Minnesota Statutes 2011 Supplement, sections 122A.245, subdivision 1; 122A.41, subdivision 6; 123B.41, subdivision 2; 124D.11, subdivision 9; 127A.33; 127A.45, subdivision 2; Laws 2011, First Special Session chapter 11, article 1, section 36, subdivisions 2, 3, 4, 5, 6, 7, 10; article 2, section 50, subdivisions 2, 3, 4, 5, 6, 7, 9; article 3, section 11, subdivisions 2, 3, 4, 5, 6; article 4, section 10, subdivisions 2, 3, 4, 6; article 5, section 12, subdivisions 2, 3, 4; article 6, section 2, subdivisions 2, 3, 5; article 7, section 2, subdivisions 2, 3, 4; article 8, section 2, subdivisions 2, 3; article 9, section 3, subdivision 2; repealing Minnesota Statutes 2010, sections 124D.135, subdivisions 8, 9; 124D.16, subdivisions 6, 7; 124D.20, subdivisions 11, 12.

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

## MINORITY REPORT

March 12, 2012

I, the undersigned, being a minority of the Committee on Taxes, recommend that H. F. No. 2083 do pass with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2011 Supplement, section 123B.75, subdivision 5, is amended to read:

Subd. 5. **Levy recognition.** ~~(a) For fiscal years 2009 and 2010, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:~~

~~(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or~~

~~(2) the sum of:~~

~~(i) 31 percent of the referendum levy certified according to section 126C.17, in calendar year 2000; and~~

~~(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6; plus~~

~~(iii) zero percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, not including the levy portions that are assumed by the state, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to item (ii).~~

~~(b)~~ (a) For fiscal year 2011 and later years, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) the greater of 48.6 percent of the referendum levy certified according to section 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified according to section 126C.17 in calendar year 2000; plus

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.4531, 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48, subdivision 6; plus

(iii) 48.6 percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to item (ii).

(b) The levy recognition percentage under paragraph (a), clause (2), must be lowered to the nearest one-tenth of a percentage allowed by the amount of the certified revenue remaining after the application of revenue under section 127A.45, subdivision 18, until such time as the levy recognition percentage is lowered to zero.

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

Sec. 2. Minnesota Statutes 2010, section 127A.45, is amended by adding a subdivision to read:

Subd. 18. **Shift repayment; appropriations.** On July 1 of each year, the commissioner of revenue must certify to the commissioner of education the estimated amount of revenue raised under this act during the current calendar year. The certified amount is annually appropriated from the general fund to the Department of Education. The commissioner of education must increase the aid payment percentage under subdivision 2 to the lesser of 90 or the amount funded by the certified revenue amount. Once the aid payment percentage is restored to 90, any additional certified revenue amount must be used to lower the property tax recognition shift under section 123B.75, subdivision 5.

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

Sec. 3. Minnesota Statutes 2010, section 289A.08, subdivision 3, is amended to read:

Subd. 3. **Corporations.** (a) A corporation that is subject to the state's jurisdiction to tax under section 290.014, subdivision 5, must file a return, ~~except that a foreign operating corporation as defined in section 290.01, subdivision 6b, is not required to file a return.~~

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

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

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

(i) Such corporation consents by filing the return as a designated member under this clause to remit taxes, penalties, interest, or additions to tax due from the members of the unitary business subject to tax, and receive refunds or other payments on behalf of other members of the unitary business. The member designated under this clause is a "taxpayer" for the purposes of this chapter and chapter 270C, and is liable for any liability imposed on the unitary business under this chapter and chapter 290.

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

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

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

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

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

Sec. 4. Minnesota Statutes 2010, section 290.01, subdivision 5, is amended to read:

Subd. 5. **Domestic corporation.** The term "domestic" when applied to a corporation means a corporation:

(1) created or organized in the United States, or under the laws of the United States or of any state, the District of Columbia, or any political subdivision of any of the foregoing but not including the Commonwealth of Puerto Rico, or any possession of the United States;

(2) which qualifies as a DISC, as defined in section 992(a) of the Internal Revenue Code; ~~or~~

(3) which qualifies as a FSC, as defined in section 922 of the Internal Revenue Code;

(4) which is incorporated in a tax haven;

(5) which is engaged in activity in a tax haven sufficient for the tax haven to impose a net income tax under United States constitutional standards and section 290.015, and which reports that 20 percent or more of its income is attributable to business in the tax haven; or

(6) which has 20 percent or more of the average of its property, payroll, and sales factors, as defined under section 290.191, within the 50 states of the United States and the District of Columbia.

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

Sec. 5. Minnesota Statutes 2010, section 290.01, is amended by adding a subdivision to read:

Subd. 5c. **Tax haven.** (a) "Tax haven" means the following foreign jurisdictions, unless the listing of the jurisdiction does not apply under paragraph (b):

(1) Andorra;

(2) Anguilla;

(3) Antigua and Barbuda;

(4) Aruba;

(5) Bahamas;

(6) Bahrain;

(7) Belize;

(8) British Virgin Islands;

(9) Cayman Islands;

- (10) Cook Islands;
- (11) Costa Rica;
- (12) Dominica;
- (13) Gibraltar;
- (14) Grenada;
- (15) Guernsey-Sark-Alderney;
- (16) Jersey;
- (17) Jordan;
- (18) Lebanon;
- (19) Liberia;
- (20) Liechtenstein;
- (21) Maldives;
- (22) Marshall Islands;
- (23) Monaco;
- (24) Montserrat;
- (25) Nauru;
- (26) Netherlands Antilles;
- (27) Niue;
- (28) Panama;
- (29) St. Kitts and Nevis;
- (30) St. Lucia;
- (31) St. Vincent and Grenadines;
- (32) Tonga;
- (33) Turks and Caicos; and
- (34) Vanuatu.

(b) A foreign jurisdiction's listing under paragraph (a) does not apply to the first taxable year after the United States enters into a tax treaty or other agreement with the foreign jurisdiction that provides for prompt, obligatory, and automatic exchange of information with the United States government relevant to enforcing the provisions of federal tax laws and the treaty or other agreement was in effect for the taxable year.

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

Sec. 6. Minnesota Statutes 2011 Supplement, section 290.01, subdivision 19c, is amended to read:

Subd. 19c. **Corporations; additions to federal taxable income.** For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes, including but not limited to the tax imposed under section 290.0922, paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; the District of Columbia; or Indian tribal governments;

(3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code;

(4) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code;

(5) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 and 965 of the Internal Revenue Code;

(6) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(7) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code;

(8) the exempt foreign trade income of a foreign sales corporation under sections 921(a) and 291 of the Internal Revenue Code;

(9) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code;

(10) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities;

~~(11) the amount of any deemed dividend from a foreign operating corporation determined pursuant to section 290.17, subdivision 4, paragraph (g). The deemed dividend shall be reduced by the amount of the addition to income required by clauses (20), (21), (22), and (23);~~

~~(12)~~ (11) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;

~~(13)~~ (12) the amount of net income excluded under section 114 of the Internal Revenue Code;

~~(14)~~ (13) any increase in subpart F income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year when subpart F income is calculated without regard to the provisions of Division C, title III, section 303(b) of Public Law 110-343;

~~(15)~~ (14) 80 percent of the depreciation deduction allowed under section 168(k)(1)(A) and (k)(4)(A) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k)(1)(A) and (k)(4)(A) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)(1)(A) and (k)(4)(A)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k)(1)(A) and (k)(4)(A) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k)(1)(A) and (k)(4)(A) is allowed;

~~(16)~~ (15) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;

~~(17)~~ (16) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code;

~~(18)~~ (17) for taxable years beginning before January 1, 2013, the exclusion allowed under section 139A of the Internal Revenue Code for federal subsidies for prescription drug plans;

~~(19)~~ (18) the amount of expenses disallowed under section 290.10, subdivision 2;

~~(20) an amount equal to the interest and intangible expenses, losses, and costs paid, accrued, or incurred by any member of the taxpayer's unitary group to or for the benefit of a corporation that is a member of the taxpayer's unitary business group that qualifies as a foreign operating corporation. For purposes of this clause, intangible expenses and costs include:~~

~~(i) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property;~~

~~(ii) losses incurred, directly or indirectly, from factoring transactions or discounting transactions;~~

~~(iii) royalty, patent, technical, and copyright fees;~~

~~(iv) licensing fees; and~~

~~(v) other similar expenses and costs.~~

~~For purposes of this clause, "intangible property" includes stocks, bonds, patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.~~

~~This clause does not apply to any item of interest or intangible expenses or costs paid, accrued, or incurred, directly or indirectly, to a foreign operating corporation with respect to such item of income to the extent that the income to the foreign operating corporation is income from sources without the United States as defined in subtitle A, chapter 1, subchapter N, part 1, of the Internal Revenue Code;~~

~~(21) except as already included in the taxpayer's taxable income pursuant to clause (20), any interest income and income generated from intangible property received or accrued by a foreign operating corporation that is a member of the taxpayer's unitary group. For purposes of this clause, income generated from intangible property includes:~~

~~(i) income related to the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property;~~

~~(ii) income from factoring transactions or discounting transactions;~~

~~(iii) royalty, patent, technical, and copyright fees;~~

~~(iv) licensing fees; and~~

~~(v) other similar income.~~

For purposes of this clause, "intangible property" includes stocks, bonds, patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets, and similar types of intangible assets.

This clause does not apply to any item of interest or intangible income received or accrued by a foreign operating corporation with respect to such item of income to the extent that the income is income from sources without the United States as defined in subtitle A, chapter 1, subchapter N, part 1, of the Internal Revenue Code;

~~(22) the dividends attributable to the income of a foreign operating corporation that is a member of the taxpayer's unitary group in an amount that is equal to the dividends paid deduction of a real estate investment trust under section 561(a) of the Internal Revenue Code for amounts paid or accrued by the real estate investment trust to the foreign operating corporation;~~

~~(23) the income of a foreign operating corporation that is a member of the taxpayer's unitary group in an amount that is equal to gains derived from the sale of real or personal property located in the United States;~~

~~(24) (19) for taxable years beginning before January 1, 2010, the additional amount allowed as a deduction for donation of computer technology and equipment under section 170(e)(6) of the Internal Revenue Code, to the extent deducted from taxable income; and~~

~~(25) (20) discharge of indebtedness income resulting from reacquisition of business indebtedness and deferred under section 108(i) of the Internal Revenue Code.~~

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

Sec. 7. Minnesota Statutes 2010, section 290.01, subdivision 19d, is amended to read:

Subd. 19d. **Corporations; modifications decreasing federal taxable income.** For corporations, there shall be subtracted from federal taxable income after the increases provided in subdivision 19c:

(1) the amount of foreign dividend gross-up added to gross income for federal income tax purposes under section 78 of the Internal Revenue Code;

(2) the amount of salary expense not allowed for federal income tax purposes due to claiming the work opportunity credit under section 51 of the Internal Revenue Code;

(3) any dividend (not including any distribution in liquidation) paid within the taxable year by a national or state bank to the United States, or to any instrumentality of the United States exempt from federal income taxes, on the preferred stock of the bank owned by the United States or the instrumentality;

(4) amounts disallowed for intangible drilling costs due to differences between this chapter and the Internal Revenue Code in taxable years beginning before January 1, 1987, as follows:

(i) to the extent the disallowed costs are represented by physical property, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7, subject to the modifications contained in subdivision 19e; and

(ii) to the extent the disallowed costs are not represented by physical property, an amount equal to the allowance for cost depletion under Minnesota Statutes 1986, section 290.09, subdivision 8;

(5) the deduction for capital losses pursuant to sections 1211 and 1212 of the Internal Revenue Code, except that:

(i) for capital losses incurred in taxable years beginning after December 31, 1986, capital loss carrybacks shall not be allowed;

(ii) for capital losses incurred in taxable years beginning after December 31, 1986, a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be allowed;

(iii) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryback to each of the three taxable years preceding the loss year, subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and

(iv) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryover to each of the five taxable years succeeding the loss year to the extent such loss was not used in a prior taxable year and subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed;

(6) an amount for interest and expenses relating to income not taxable for federal income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or 291 of the Internal Revenue Code in computing federal taxable income;

(7) in the case of mines, oil and gas wells, other natural deposits, and timber for which percentage depletion was disallowed pursuant to subdivision 19c, clause (9), a reasonable allowance for depletion based on actual cost. In the case of leases the deduction must be apportioned between the lessor and lessee in accordance with rules prescribed by the commissioner. In the case of property held in trust, the allowable deduction must be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the trust, or if there is no provision in the instrument, on the basis of the trust's income allocable to each;

(8) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7;

(9) amounts included in federal taxable income that are due to refunds of income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or a foreign country or possession of the United States to the extent that the taxes were added to federal taxable income under ~~section 290.01~~, subdivision 19c, clause (1), in a prior taxable year;

~~(10)~~ 80 percent of royalties, fees, or other like income accrued or received from a foreign operating corporation or a foreign corporation which is part of the same unitary business as the receiving corporation, unless the income resulting from such payments or accruals is income from sources within the United States as defined in subtitle A, chapter 1, subchapter N, part 1, of the Internal Revenue Code;

~~(11)~~ (10) income or gains from the business of mining as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota franchise tax;

~~(12)~~ (11) the amount of disability access expenditures in the taxable year which are not allowed to be deducted or capitalized under section 44(d)(7) of the Internal Revenue Code;

~~(13)~~ (12) the amount of qualified research expenses not allowed for federal income tax purposes under section 280C(c) of the Internal Revenue Code, but only to the extent that the amount exceeds the amount of the credit allowed under section 290.068;

~~(14)~~ (13) the amount of salary expenses not allowed for federal income tax purposes due to claiming the Indian employment credit under section 45A(a) of the Internal Revenue Code;

~~(15)~~ (14) for a corporation whose foreign sales corporation, as defined in section 922 of the Internal Revenue Code, constituted a foreign operating corporation during any taxable year ending before January 1, 1995, and a return was filed by August 15, 1996, claiming the deduction under section 290.21, subdivision 4, for income received from the foreign operating corporation, an amount equal to 1.23 multiplied by the amount of income excluded under section 114 of the Internal Revenue Code, provided the income is not income of a foreign operating company;

~~(16)~~ (15) any decrease in subpart F income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year when subpart F income is calculated without regard to the provisions of Division C, title III, section 303(b) of Public Law 110-343;

~~(17)~~ (16) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19c, clause ~~(15)~~ (14), 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 19c, clause ~~(15)~~ (14). The resulting delayed depreciation cannot be less than zero;

~~(18)~~ (17) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19c, clause ~~(16)~~ (15), an amount equal to one-fifth of the amount of the addition; and

~~(19)~~ (18) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under ~~section 290.01~~, subdivision 19c, clause ~~(25)~~ (20).

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

Sec. 8. Minnesota Statutes 2010, 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)~~ (14), is disallowed in determining alternative minimum taxable income.

(3) The subtraction for depreciation allowed under section 290.01, subdivision 19d, clause (17), 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), or (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.

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, 2011.

Sec. 9. Minnesota Statutes 2010, section 290.17, subdivision 4, is amended to read:

Subd. 4. **Unitary business principle.** (a) If a trade or business conducted wholly within this state or partly within and partly without this state is part of a unitary business, the entire income of the unitary business is subject to apportionment pursuant to section 290.191. Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary business is considered to be derived from any particular source and none may be allocated to a particular place except as provided by the applicable apportionment formula. The provisions of this subdivision do not apply to business income subject to subdivision 5, income of an insurance company, or income of an investment company determined under section 290.36.

(b) The term "unitary business" means business activities or operations which result in a flow of value between them. The term may be applied within a single legal entity or between multiple entities and without regard to whether each entity is a sole proprietorship, a corporation, a partnership or a trust.

(c) Unity is presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction, but the absence of these centralized activities will not necessarily evidence a nonunitary business. Unity is also presumed when business activities or operations are of mutual benefit, dependent upon or contributory to one another, either individually or as a group.

(d) Where a business operation conducted in Minnesota is owned by a business entity that carries on business activity outside the state different in kind from that conducted within this state, and the other business is conducted entirely outside the state, it is presumed that the two business operations are unitary in nature, interrelated, connected, and interdependent unless it can be shown to the contrary.

(e) Unity of ownership is not deemed to exist when a corporation is involved unless that corporation is a member of a group of two or more business entities and more than 50 percent of the voting stock of each member of the group is directly or indirectly owned by a common owner or by common owners, either corporate or noncorporate, or by one or more of the member corporations of the group. For this purpose, the term "voting stock" shall include membership interests of mutual insurance holding companies formed under section 66A.40.

(f) The net income and apportionment factors under section 290.191 or 290.20 of foreign corporations and other foreign entities which are part of a unitary business shall not be included in the net income or the apportionment factors of the unitary business. A foreign corporation or other foreign entity which is required to file a return under this chapter shall file on a separate return basis. ~~The net income and apportionment factors under section 290.191 or 290.20 of foreign operating corporations shall not be included in the net income or the apportionment factors of the unitary business except as provided in paragraph (g).~~ The provisions of this paragraph are not severable from the provisions of section 290.01, subdivision 5, clauses (4) to (6); if any of those provisions are found to be unconstitutional, the provisions of this paragraph are void for the respective taxable years.

~~(g)~~ The adjusted net income of a foreign operating corporation shall be deemed to be paid as a dividend on the last day of its taxable year to each shareholder thereof, in proportion to each shareholder's ownership, with which such corporation is engaged in a unitary business. Such deemed dividend shall be treated as a dividend under section 290.21, subdivision 4.

Dividends actually paid by a foreign operating corporation to a corporate shareholder which is a member of the same unitary business as the foreign operating corporation shall be eliminated from the net income of the unitary business in preparing a combined report for the unitary business. The adjusted net income of a foreign operating corporation shall be its net income adjusted as follows:

(1) any taxes paid or accrued to a foreign country, the commonwealth of Puerto Rico, or a United States possession or political subdivision of any of the foregoing shall be a deduction; and

(2) the subtraction from federal taxable income for payments received from foreign corporations or foreign operating corporations under section 290.01, subdivision 19d, clause (10), shall not be allowed.

If a foreign operating corporation incurs a net loss, neither income nor deduction from that corporation shall be included in determining the net income of the unitary business.

~~(h)~~ (g) For purposes of determining the net income of a unitary business and the factors to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there must be included only the income and apportionment factors of domestic corporations or other domestic entities ~~other than foreign operating corporations~~ that are determined to be part of the unitary business pursuant to this subdivision, notwithstanding that foreign corporations or other foreign entities might be included in the unitary business, except that foreign corporations or other foreign entities that are included on a federal income tax return must be included on the combined report. Income of a foreign partnership or other foreign entity treated as a partnership included in federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in section 290.01, subdivision 19, and the proportionate amount of apportionment factors, must be included in the combined report.

~~(i)~~ (h) Deductions for expenses, interest, or taxes otherwise allowable under this chapter that are connected with or allocable against dividends, ~~deemed dividends described in paragraph (g), or royalties, fees, or other like income described in section 290.01, subdivision 19d, clause (10),~~ shall not be disallowed.

~~(j)~~ (i) Each corporation or other entity, except a sole proprietorship, that is part of a unitary business must file combined reports as the commissioner determines. On the reports, all intercompany transactions between entities included pursuant to paragraph ~~(h)~~ (g) must be eliminated and the entire net income of the unitary business determined in accordance with this subdivision is apportioned among the entities by using each entity's Minnesota factors for apportionment purposes in the numerators of the apportionment formula and the total factors for apportionment purposes of all entities included pursuant to paragraph ~~(h)~~ (g) in the denominators of the apportionment formula. All sales of the unitary business made within Minnesota pursuant to section 290.191 or 290.20 must be included on the separate combined report of a corporation that is a member of the unitary business and is subject to the jurisdiction of this state to impose tax under this chapter.

~~(k)~~ (j) If a corporation has been divested from a unitary business and is included in a combined report for a fractional part of the common accounting period of the combined report:

(1) its income includable in the combined report is its income incurred for that part of the year determined by proration or separate accounting; and

(2) its sales, property, and payroll included in the apportionment formula must be prorated or accounted for separately.

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

Sec. 10. Minnesota Statutes 2010, section 290.191, subdivision 5, is amended to read:

Subd. 5. **Determination of sales factor.** For purposes of this section, the following rules apply in determining the sales factor.

(a) The sales factor includes all sales, gross earnings, or receipts received in the ordinary course of the business, except that the following types of income are not included in the sales factor:

(1) interest;

(2) dividends;

(3) sales of capital assets as defined in section 1221 of the Internal Revenue Code;

(4) sales of property used in the trade or business, except sales of leased property of a type which is regularly sold as well as leased; and

(5) sales of debt instruments as defined in section 1275(a)(1) of the Internal Revenue Code or sales of stock; ~~and,~~

~~(6) royalties, fees, or other like income of a type which qualify for a subtraction from federal taxable income under section 290.01, subdivision 19d(10).~~

(b) Sales of tangible personal property are made within this state if the property is received by a purchaser at a point within this state, and the taxpayer is taxable in this state, regardless of the f.o.b. point, other conditions of the sale, or the ultimate destination of the property.

(c) Tangible personal property delivered to a common or contract carrier or foreign vessel for delivery to a purchaser in another state or nation is a sale in that state or nation, regardless of f.o.b. point or other conditions of the sale.

(d) Notwithstanding paragraphs (b) and (c), when intoxicating liquor, wine, fermented malt beverages, cigarettes, or tobacco products are sold to a purchaser who is licensed by a state or political subdivision to resell this property only within the state of ultimate destination, the sale is made in that state.

(e) Sales made by or through a corporation that is qualified as a domestic international sales corporation under section 992 of the Internal Revenue Code are not considered to have been made within this state.

(f) Sales, rents, royalties, and other income in connection with real property is attributed to the state in which the property is located.

(g) Receipts from the lease or rental of tangible personal property, including finance leases and true leases, must be attributed to this state if the property is located in this state and to other states if the property is not located in this state. Receipts from the lease or rental of moving property including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment are included in the numerator of the receipts factor to the extent that the property is used in this state. The extent of the use of moving property is determined as follows:

(1) A motor vehicle is used wholly in the state in which it is registered.

(2) The extent that rolling stock is used in this state is determined by multiplying the receipts from the lease or rental of the rolling stock by a fraction, the numerator of which is the miles traveled within this state by the leased or rented rolling stock and the denominator of which is the total miles traveled by the leased or rented rolling stock.

(3) The extent that an aircraft is used in this state is determined by multiplying the receipts from the lease or rental of the aircraft by a fraction, the numerator of which is the number of landings of the aircraft in this state and the denominator of which is the total number of landings of the aircraft.

(4) The extent that a vessel, mobile equipment, or other mobile property is used in the state is determined by multiplying the receipts from the lease or rental of the property by a fraction, the numerator of which is the number of days during the taxable year the property was in this state and the denominator of which is the total days in the taxable year.

(h) Royalties and other income not described in paragraph (a), clause (6), received for the use of or for the privilege of using intangible property, including patents, know-how, formulas, designs, processes, patterns, copyrights, trade names, service names, franchises, licenses, contracts, customer lists, or similar items, must be attributed to the state in which the property is used by the purchaser. If the property is used in more than one state, the royalties or other income must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the royalties or other income must be excluded from both the numerator and the denominator. Intangible property is used in this state if the purchaser uses the intangible property or the rights therein in the regular course of its business operations in this state, regardless of the location of the purchaser's customers.

(i) Sales of intangible property are made within the state in which the property is used by the purchaser. If the property is used in more than one state, the sales must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the sale must be excluded from both the numerator and the denominator of the sales factor. Intangible property is used in this state if the purchaser used the intangible property in the regular course of its business operations in this state.

(j) Receipts from the performance of services must be attributed to the state where the services are received. For the purposes of this section, receipts from the performance of services provided to a corporation, partnership, or trust may only be attributed to a state where it has a fixed place of doing business. If the state where the services are received is not readily determinable or is a state where the corporation, partnership, or trust receiving the service does not have a fixed place of doing business, the services shall be deemed to be received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the services shall be deemed to be received at the office of the customer to which the services are billed.

(k) For the purposes of this subdivision and subdivision 6, paragraph (1), receipts from management, distribution, or administrative services performed by a corporation or trust for a fund of a corporation or trust regulated under United States Code, title 15, sections 80a-1 through 80a-64, must be attributed to the state where the shareholder of the fund resides. Under this paragraph, receipts for services attributed to shareholders are determined on the basis of the ratio of: (1) the average of the outstanding shares in the fund owned by shareholders residing within Minnesota at the beginning and end of each year; and (2) the average of the total number of outstanding shares in the fund at the beginning and end of each year. Residence of the shareholder, in the case of an individual, is determined by the mailing address furnished by the shareholder to the fund. Residence of the shareholder, when the shares are held by an insurance company as a depositor for the insurance company policyholders, is the mailing address of the policyholders. In the case of an insurance company holding the shares as a depositor for the insurance company policyholders, if the mailing address of the policyholders cannot be determined by the taxpayer, the receipts must be excluded from both the numerator and denominator. Residence of other shareholders is the mailing address of the shareholder.

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

Sec. 11. Minnesota Statutes 2010, section 290.21, subdivision 4, is amended to read:

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

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

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

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

(b) Seventy percent of dividends received by a corporation during the taxable year from another corporation in which the recipient owns less than 20 percent of the stock, by vote or value, not including stock described in section 1504(a)(4) of the Internal Revenue Code when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of income and gain therefrom.

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

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

The dividend deduction provided in this subdivision does not apply to a dividend received from a real estate investment trust, as defined in section 856 of the Internal Revenue Code.

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

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

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

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

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

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

Sec. 12. **REPEALER.**

Minnesota Statutes 2010, sections 290.01, subdivision 6b; and 290.0921, subdivision 7, are repealed.

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

Delete the title and insert:

"A bill for an act relating to education finance; closing tax loopholes; adjusting education shifts; amending Minnesota Statutes 2010, sections 127A.45, by adding a subdivision; 289A.08, subdivision 3; 290.01, subdivisions 5, 19d, by adding a subdivision; 290.0921, subdivision 3; 290.17, subdivision 4; 290.191, subdivision 5; 290.21, subdivision 4; Minnesota Statutes 2011 Supplement, sections 123B.75, subdivision 5; 290.01, subdivision 19c; repealing Minnesota Statutes 2010, sections 290.01, subdivision 6b; 290.0921, subdivision 7."

Signed:

LYNDON CARLSON

Carlson moved that the Minority Report on H. F. No. 2083 be substituted for the Majority Report and that the Minority Report be now adopted.

A roll call was requested and properly seconded.

LAY ON THE TABLE

Dean moved that the Minority Report on H. F. No. 2083 be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Dean motion relating to the Minority Report on H. F. No. 2083 and the roll was called. There were 72 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Abeler	Crawford	Gottwalt	Kiffmeyer	McNamara	Shimanski
Anderson, B.	Daudt	Gruenhagen	Kriesel	Murdock	Smith
Anderson, D.	Davids	Gunther	Lanning	Murray	Stensrud
Anderson, P.	Dean	Hackbarth	Leidiger	Myhra	Swedzinski
Anderson, S.	Dettmer	Hamilton	LeMieur	Nornes	Torkelson
Banaian	Doepke	Hancock	Lohmer	O'Driscoll	Urdahl
Barrett	Downey	Holberg	Loon	Peppin	Vogel
Beard	Drazkowski	Hoppe	Mack	Quam	Wardlow
Benson, M.	Erickson	Howes	Mazorol	Runbeck	Westrom
Bills	Fabian	Kelly	McDonald	Sanders	Winkler
Buesgens	Franson	Kieffer	McElpatrick	Schomacker	Woodard
Cornish	Garofalo	Kiel	McFarlane	Scott	Spk. Zellers

Those who voted in the negative were:

Anzelc	Fritz	Hosch	Liebling	Murphy, M.	Simon
Atkins	Gauthier	Huntley	Lillie	Nelson	Slawik
Benson, J.	Greene	Johnson	Loeffler	Norton	Slocum
Brynaert	Greiling	Kahn	Mahoney	Paymar	Thissen
Carlson	Hansen	Kath	Marquart	Pelowski	Tillberry
Champion	Hausman	Knuth	Melin	Persell	Wagenius
Dill	Hilstrom	Koenen	Moran	Peterson, S.	Ward
Dittrich	Hilty	Laine	Morrow	Poppe	
Eken	Hornstein	Lenczewski	Mullery	Rukavina	
Falk	Hortman	Lesch	Murphy, E.	Scalze	

The motion prevailed and the Minority Report on H. F. No. 2083 was laid on the table.

#### MOTION FOR RECONSIDERATION

Winkler moved that the vote whereby the Dean motion to lay the Minority Report on H. F. No. 2083 on the table prevailed be now reconsidered.

A roll call was requested and properly seconded.

The Speaker ruled the Winkler motion not in order pursuant to section 340 of "Mason's Manual of Legislative Procedure."

Winkler appealed the decision of the Speaker.

A roll call was requested and properly seconded.

#### LAY ON THE TABLE

Dean moved that the Winkler appeal of the decision of the Speaker be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Dean motion and the roll was called. There were 71 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Abeler	Crawford	Gottwalt	Kriesel	Murdock	Shimanski
Anderson, B.	Daudt	Gruenhagen	Lanning	Murray	Smith
Anderson, D.	Dauids	Gunther	Leidiger	Myhra	Stensrud
Anderson, P.	Dean	Hackbarth	LeMieur	Nornes	Swedzinski
Anderson, S.	Dettmer	Hamilton	Lohmer	Norton	Torkelson
Banaian	Doepke	Hancock	Loon	O'Driscoll	Urdahl
Barrett	Downey	Holberg	Mack	Peppin	Vogel
Beard	Drazkowski	Hoppe	Mazorol	Quam	Wardlow
Benson, M.	Erickson	Howes	McDonald	Runbeck	Westrom
Bills	Fabian	Kelly	McElfatrick	Sanders	Woodard
Buesgens	Franson	Kieffer	McFarlane	Schomacker	Spk. Zellers
Cornish	Garofalo	Kiel	McNamara	Scott	

Those who voted in the negative were:

Allen	Falk	Hortman	Lenczewski	Morrow	Rukavina
Anzelc	Fritz	Hosch	Lesch	Mullery	Scalze
Atkins	Gauthier	Huntley	Liebling	Murphy, E.	Simon
Benson, J.	Greene	Johnson	Lillie	Murphy, M.	Slawik
Brynaert	Greiling	Kahn	Loeffler	Nelson	Slocum
Carlson	Hansen	Kath	Mahoney	Paymar	Thissen
Champion	Hausman	Kiffmeyer	Mariani	Pelowski	Tillberry
Dill	Hilstrom	Knuth	Marquart	Persell	Wagenius
Dittrich	Hilty	Koenen	Melin	Peterson, S.	Ward
Eken	Hornstein	Laine	Moran	Poppe	Winkler

The motion prevailed and the appeal of the decision of the Speaker was laid on the table.

The question recurred on the adoption of the Majority Report from the Committee on Taxes relating to H. F. No. 2083.

A roll call was requested and properly seconded.

The question was taken on the adoption of the Majority Report from the Committee on Taxes relating to H. F. No. 2083 and the roll was called. There were 72 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Abeler	Beard	Dauids	Fabian	Hamilton	Kiel
Anderson, B.	Benson, M.	Dean	Franson	Hancock	Kiffmeyer
Anderson, D.	Bills	Dettmer	Garofalo	Holberg	Kriesel
Anderson, P.	Buesgens	Doepke	Gottwalt	Hoppe	Lanning
Anderson, S.	Cornish	Downey	Gruenhagen	Howes	Leidiger
Banaian	Crawford	Drazkowski	Gunther	Kelly	LeMieur
Barrett	Daudt	Erickson	Hackbarth	Kieffer	Lohmer

Loon	McFarlane	Nornes	Sanders	Stensrud	Vogel
Mack	McNamara	O'Driscoll	Schomacker	Swedzinski	Wardlow
Mazorol	Murdock	Peppin	Scott	Thissen	Westrom
McDonald	Murray	Quam	Shimanski	Torkelson	Woodard
McElpatrick	Myhra	Runbeck	Smith	Urdahl	Spk. Zellers

Those who voted in the negative were:

Allen	Falk	Hortman	Lesch	Mullery	Rukavina
Anzelc	Fritz	Hosch	Liebling	Murphy, E.	Scalze
Atkins	Gauthier	Huntley	Lillie	Murphy, M.	Simon
Benson, J.	Greene	Johnson	Loeffler	Nelson	Slawik
Brynaert	Greiling	Kahn	Mahoney	Norton	Slocum
Carlson	Hansen	Kath	Mariani	Paymar	Tillberry
Champion	Hausman	Knuth	Marquart	Pelowski	Wagenius
Dill	Hilstrom	Koenen	Melin	Persell	Ward
Dittrich	Hilty	Laine	Moran	Peterson, S.	Winkler
Eken	Hornstein	Lenczewski	Morrow	Poppe	

The Majority Report on H. F. No. 2083 was adopted.

Pursuant to rule 3.14, Thissen gave notice of his intent to move to reconsider the vote on the adoption of the Majority Report from the Committee on Taxes relating to H. F. No. 2083.

The Speaker ruled the Thissen notice of intent to reconsider not in order.

#### POINT OF ORDER

Winkler raised a point of order pursuant to rule 3.14 and the notice of intent as it relates to the adoption of a committee report. The Speaker ruled the point of order not well taken.

Winkler 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 71 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Abeler	Bills	Downey	Hackbarth	Kiffmeyer	McDonald
Anderson, B.	Buesgens	Drazkowski	Hamilton	Kriesel	McElpatrick
Anderson, D.	Cornish	Erickson	Hancock	Lanning	McFarlane
Anderson, P.	Crawford	Fabian	Holberg	Leidiger	McNamara
Anderson, S.	Daudt	Franson	Hoppe	LeMieur	Murdock
Banaian	Davids	Garofalo	Howes	Lohmer	Murray
Barrett	Dean	Gottwalt	Kelly	Loon	Myhra
Beard	Dettmer	Gruenhagen	Kieffer	Mack	Nornes
Benson, M.	Doepke	Gunther	Kiel	Mazorol	O'Driscoll

Peppin	Sanders	Shimanski	Swedzinski	Vogel	Woodard
Quam	Schomacker	Smith	Torkelson	Wardlow	Spk. Zellers
Runbeck	Scott	Stensrud	Urdahl	Westrom	

Those who voted in the negative were:

Allen	Falk	Hortman	Lesch	Mullery	Rukavina
Anzelc	Fritz	Hosch	Liebling	Murphy, E.	Scalze
Atkins	Gauthier	Huntley	Lillie	Murphy, M.	Simon
Benson, J.	Greene	Johnson	Loeffler	Nelson	Slawik
Brynaert	Greiling	Kahn	Mahoney	Norton	Slocum
Carlson	Hansen	Kath	Mariani	Paymar	Thissen
Champion	Hausman	Knuth	Marquart	Pelowski	Tillberry
Dill	Hilstrom	Koenen	Melin	Persell	Wagenius
Dittrich	Hilty	Laine	Moran	Peterson, S.	Ward
Eken	Hornstein	Lenczewski	Morrow	Poppe	Winkler

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

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 2160, A bill for an act relating to public safety; permitting law enforcement to take fingerprints of an offender interacting with the criminal justice system for any offense to eliminate a suspense record; amending Minnesota Statutes 2011 Supplement, section 299C.10, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 6, strike "in order to maintain and"

Page 2, line 7, strike "ensure the accuracy of the bureau's criminal history files,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 2308, A bill for an act relating to mortgages; modifying provisions relating to foreclosure consultants; amending Minnesota Statutes 2010, section 325N.01.

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

The report was adopted.

Beard from the Committee on Transportation Policy and Finance to which was referred:

H. F. No. 2328, A bill for an act relating to taxation; modifying provisions relating to air flight property tax levies, aircraft fuel taxes, and aircraft registration taxes and filing fees; amending Minnesota Statutes 2010, sections 270.075, by adding a subdivision; 296A.09, subdivision 2; 296A.17, subdivision 3; 297A.94; 360.511, by adding a subdivision; 360.531, subdivisions 1, 2, by adding a subdivision; 360.532; 360.57.

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

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 2476, A bill for an act relating to child support judgments; eliminating certain provisions providing for 20-year survival of judgments; amending Minnesota Statutes 2010, sections 541.04; 548.09, subdivision 1.

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

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 2505, A bill for an act relating to conservatorships; permitting designation of a post office box number in the annual report of the conservator; amending Minnesota Statutes 2010, section 524.5-420.

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

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 2555, A bill for an act relating to state government; implementing changes to the sunset review; changing certain agency requirements; requiring posting of convictions of felonies or gross misdemeanors and malpractice settlements or judgments for a regulated practitioner; requiring certain information on regulated practitioners; requiring a study; prohibiting transfer of certain funds; requiring reports; setting fees; appropriating money; amending Minnesota Statutes 2010, sections 3.922, by adding a subdivision; 3.9223, subdivision 7; 3.9225, subdivision 7; 3.9226, subdivision 7; 147.01, subdivision 4; 147.111, by adding a subdivision; 148.102, by adding a subdivision; 148.263, by adding a subdivision; 148B.07, by adding a subdivision; 148C.095, by adding a subdivision; 148E.285, by adding a subdivision; 150A.13, by adding a subdivision; 153.24, by adding a subdivision; 214.06, subdivision 1, by adding a subdivision; Minnesota Statutes 2011 Supplement, sections 3D.06; 3D.21, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 3D; 16B; 214; repealing Minnesota Statutes 2010, sections 138A.01; 138A.02; 138A.03; 138A.04; 138A.05; 138A.06.

Reported the same back with the following amendments:

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 2011 Supplement, section 3D.04, is amended to read:

**3D.04 STAFF; CONTRACTS.**

The Legislative Coordinating Commission shall provide staff and administrative services for the commission. The Sunset Advisory Commission may enter into contracts for evaluations of agencies under review.

Sec. 2. Minnesota Statutes 2011 Supplement, section 3D.06, is amended to read:

**3D.06 AGENCY REPORT TO COMMISSION.**

(a) Before September 1 of the odd-numbered year before the year in which a state agency is subject to sunset review, the agency commissioner shall report to the commission:

- (1) information regarding the application to the agency of the criteria in section 3D.10;
- (2) ~~a priority based~~ an outcome-based budget for the agency;
- (3) an inventory of all boards, commissions, committees, and other entities related to the agency; and
- (4) any other information that the agency commissioner considers appropriate or that is requested by the commission.

~~The September 1 deadline in this section does not apply in 2011.~~

(b) The outcome-based budget required by paragraph (a) must be for each of the agency's activities, as the term activity is used in state budgeting:

- (1) identify the statutory authority for the activity;
- (2) include one or more performance goals and associated performance measures that measure outcomes, not inputs;
- (3) discuss the extent to which each performance measure is reliable and verifiable, and can be accurately measured;
- (4) discuss the extent to which the agency has met each performance measure, and the extent to which the budget devoted to the activity has permitted or prevented the agency from meeting its performance goals;
- (5) discuss efficiencies that would allow the agency to better meet its goals; and
- (6) identify agencies at any level of government or private sector entities that provide the same activities, and describe agency interaction with the activities provided by others."

Page 9, line 26, after "individuals" insert "at the time of license renewal"

Page 10, line 3, before "insurers" insert "and" and delete ", and the courts"

Page 12, delete section 30 and insert:

"Sec. 30. **APPROPRIATION.**

(a) \$..... is appropriated to the Legislative Coordinating Commission from the general fund for the fiscal year ending June 30, 2013, to provide two staff people for the Sunset Advisory Commission. This appropriation does not cancel.

(b) \$..... is appropriated to the Office of the Legislative Auditor from the general fund for the fiscal year ending June 30, 2013, to provide one staff person, as directed by the Legislative Audit Commission, to coordinate with and assist the Sunset Advisory Commission. This appropriation does not cancel."

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

Peppin from the Committee on Government Operations and Elections to which was referred:

H. F. No. 2589, A bill for an act relating to watershed districts; requiring watershed districts in Hennepin County to get municipal approval before acquiring property in the municipality; amending Minnesota Statutes 2010, section 103D.335, subdivision 11.

Reported the same back with the following amendments:

Page 1, line 12, delete "in" and insert "partially or entirely within"

Page 1, line 14, after the first "town" insert "whether or not within Hennepin County"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.

The report was adopted.

Anderson, B., from the Veterans Services Division to which was referred:

H. F. No. 2640, A bill for an act relating to the military; amending the pay differential law as it applies to school district employees who are members of the National Guard or any other reserve unit; amending Minnesota Statutes 2010, section 471.975.

Reported the same back with the following amendments:

Page 3, line 17, delete "in any fiscal year"

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

The report was adopted.

Peppin from the Committee on Government Operations and Elections to which was referred:

H. F. No. 2738, A bill for an act proposing an amendment to the Minnesota Constitution, article VII, section 1; requiring voters to present photographic identification; providing photographic identification to voters at no charge; requiring equal verification standards for all voters.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article VII, section 1, will read:

Section 1. (a) Every person 18 years of age or more who has been a citizen of the United States for three months and who has resided in the precinct for 30 days next preceding an election shall be entitled to vote in that precinct. The place of voting by one otherwise qualified who has changed his residence within 30 days preceding the election shall be prescribed by law. The following persons shall not be entitled or permitted to vote at any election in this

state: A person not meeting the above requirements; a person who has been convicted of treason or felony, unless restored to civil rights; a person under guardianship, or a person who is insane or not mentally competent. All voters must be subject to substantially equivalent identity and eligibility verification prior to a ballot being cast or counted.

(b) A voter in a polling place on election day must present valid government-issued photographic identification before receiving a ballot. The state must issue photographic identification at no charge to an eligible voter. A voter unable to present government-issued photographic identification must be permitted to submit a provisional ballot. A provisional ballot must only be counted if the voter certifies the provisional ballot in the manner provided by law.

Sec. 2. **SUBMISSION TO VOTERS.**

(a) The proposed amendment must be submitted to the people at the 2012 general election. If approved, the amendment is effective for elections conducted on or after June 30, 2013. The question submitted must be:

"Shall the Minnesota Constitution be amended to require all voters to present valid photo identification on election day and that the state provide free identification to eligible voters?"

Yes .....  
No ....."

(b) The title required under Minnesota Statutes, section 204D.15, subdivision 1, for the question submitted to the people under paragraph (a) shall be: "Photo Identification Required for Voting."

Amend the title as follows:

Page 1, line 4, delete "equal" and insert "substantially equivalent"

Page 1, line 5, before the period, insert "; allowing provisional balloting for voters unable to present photographic identification"

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

The report was adopted.

**SECOND READING OF HOUSE BILLS**

H. F. Nos. 1517, 1670, 1819, 1899, 1994, 2160, 2308 and 2476 were read for the second time.

**SECOND READING OF SENATE BILLS**

S. F. No. 1567 was read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Erickson introduced:

H. F. No. 2824, A bill for an act relating to education; clarifying the district process for reviewing curriculum, instruction, and student achievement; amending Minnesota Statutes 2010, section 120B.11.

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

Hortman; Clark; Moran; Murphy, E.; Nelson; Hornstein; Laine; Dittrich; Loeffler; Peterson, S.; Scalze; Johnson; Carlson; Hilstrom and Allen introduced:

H. F. No. 2825, A bill for an act relating to financial institutions; requiring banks chartered under the laws of this state to provide relief for certain home mortgage loan customers whose loan balance exceeds the value of their homes; providing a consequence for noncompliance by the bank; 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 Regulatory Reform.

Allen introduced:

H. F. No. 2826, A bill for an act relating to public safety; requiring that a penalty assessment be imposed on DWI offenders and using the money raised for spinal cord injury and traumatic brain injury research grants; establishing a special revenue account; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 145; 169A.

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

Garofalo and Mack introduced:

H. F. No. 2827, A bill for an act relating to traffic regulations; establishing speed limit on marked Interstate Highway 35E in St. Paul at 50 miles per hour; amending Minnesota Statutes 2010, section 169.14, by adding a subdivision.

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

Murray introduced:

H. F. No. 2828, A bill for an act relating to local government; authorizing the city of Albert Lea to offer industrial sewer charge rebates as an economic development incentive.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Vogel introduced:

H. F. No. 2829, A bill for an act relating to counties; providing a process for making certain county offices appointive in Kandiyohi, Lyon, and Swift Counties.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Torkelson introduced:

H. F. No. 2830, A bill for an act relating to arts and cultural heritage; appropriating money for radio programming commemorating the sesquicentennial of the American Civil War and the Dakota Conflict.

The bill was read for the first time and referred to the Legacy Funding Division.

Torkelson introduced:

H. F. No. 2831, A bill for an act relating to arts and cultural heritage; appropriating money for radio programming commemorating the sesquicentennial of the American Civil War and the Dakota Conflict.

The bill was read for the first time and referred to the Legacy Funding Division.

Urdahl and Torkelson introduced:

H. F. No. 2832, A bill for an act relating to arts and cultural heritage; appropriating money for television programming commemorating the sesquicentennial of the American Civil War and the Dakota Conflict.

The bill was read for the first time and referred to the Legacy Funding Division.

Downey introduced:

H. F. No. 2833, A bill for an act relating to state government; providing a reform roadmap; proposing coding for new law as Minnesota Statutes, chapter 1A.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Banaian introduced:

H. F. No. 2834, A bill for an act relating to higher education; providing funding to the Minnesota State Colleges and Universities for leveraged equipment acquisition; appropriating money.

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

Erickson introduced:

H. F. No. 2835, A bill for an act relating to education; clarifying an education provision; amending Minnesota Statutes 2010, section 120A.22, subdivision 1.

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

Lohmer introduced:

H. F. No. 2836, A bill for an act relating to emergency medical services; establishing an interstate highway emergency response account; creating an interstate emergency response reimbursement program; requiring a report from the Department of Revenue; appropriating money; amending Minnesota Statutes 2010, section 168A.40, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 144E.

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

Downey introduced:

H. F. No. 2837, A bill for an act relating to transportation; directing commissioner of transportation to utilize a consultant to study pupil transportation efficiencies; appropriating money.

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

Howes introduced:

H. F. No. 2838, A bill for an act relating to education finance; creating a supplemental pupil transportation grant; appropriating money.

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

Dettmer introduced:

H. F. No. 2839, A bill for an act relating to eminent domain; removing certain exemptions from eminent domain law requirements applicable to public service corporations; repealing Minnesota Statutes 2010, section 117.189.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.

### **MESSAGES FROM THE SENATE**

The following message was received from the Senate:

Mr. Speaker:

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

S. F. Nos. 1551, 1780 and 1844.

CAL R. LUDEMAN, Secretary of the Senate

**FIRST READING OF SENATE BILLS**

S. F. No. 1551, A bill for an act relating to electrical inspections; providing for continued electrical inspections when biennial appropriations have not been enacted; appropriating money; amending Minnesota Statutes 2010, section 326B.04, subdivision 1.

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

S. F. No. 1780, A bill for an act relating to higher education; clarifying the authority of the Minnesota State Colleges and Universities system to continue operations during a budget impasse; appropriating money; amending Minnesota Statutes 2010, section 136F.71, subdivision 3, by adding a subdivision.

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

S. F. No. 1844, A bill for an act relating to natural resources; providing for continued operation of the Minnesota Zoological Garden when biennial appropriations have not been enacted; appropriating money; amending Minnesota Statutes 2010, section 85A.04, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.

**CALENDAR FOR THE DAY**

Dean moved that the Calendar for the Day be continued. The motion prevailed.

**MOTIONS AND RESOLUTIONS**

McElpatrick moved that the name of Huntley be added as an author on H. F. No. 1087. The motion prevailed.

Hortman moved that the name of Nornes be added as an author on H. F. No. 1429. The motion prevailed.

Kriesel moved that the name of Kiel be added as an author on H. F. No. 1774. The motion prevailed.

Slawik moved that the name of Peterson, S., be added as an author on H. F. No. 2053. The motion prevailed.

Garofalo moved that the names of Cornish; Gruenhagen; Downey; Dettmer; Benson, M.; Davids; Crawford; Woodard; Kieffer; Gunther; Banaian; Quam and Anderson, P., be added as authors on H. F. No. 2083. The motion prevailed.

Atkins moved that the name of Morrow be added as an author on H. F. No. 2137. The motion prevailed.

Kahn moved that the name of Scalze be added as an author on H. F. No. 2175. The motion prevailed.

Holberg moved that the name of Smith be added as an author on H. F. No. 2329. The motion prevailed.

Schomacker moved that the name of Torkelson be added as an author on H. F. No. 2375. The motion prevailed.

Shimanski moved that the name of Gauthier be added as an author on H. F. No. 2517. The motion prevailed.

Murphy, E., moved that the name of Davnie be added as an author on H. F. No. 2737. The motion prevailed.

Murphy, E., moved that the name of Greene be added as an author on H. F. No. 2739. The motion prevailed.

Daudt moved that the name of Lohmer be added as an author on H. F. No. 2752. The motion prevailed.

Hornstein moved that the name of Carlson be added as an author on H. F. No. 2753. The motion prevailed.

Kieffer moved that her name be stricken as an author on H. F. No. 2755. The motion prevailed.

Murphy, E., moved that her name be stricken as an author on H. F. No. 2783. The motion prevailed.

Kieffer moved that the name of Slawik be added as an author on H. F. No. 2811. The motion prevailed.

Davnie moved that the names of Champion, Allen and Greene be added as authors on H. F. No. 2817. The motion prevailed.

Davnie moved that the names of Champion and Allen be added as authors on H. F. No. 2818. The motion prevailed.

Clark moved that the names of Champion, Allen and Greene be added as authors on H. F. No. 2819. The motion prevailed.

Loeffler moved that the names of Champion and Allen be added as authors on H. F. No. 2820. The motion prevailed.

Mullery moved that the names of Carlson and Greene be added as authors on H. F. No. 2823. The motion prevailed.

Liebling moved that H. F. No. 1888 be recalled from the Committee on Health and Human Services Reform and be re-referred to the Committee on Health and Human Services Finance. The motion prevailed.

Swedzinski moved that H. F. No. 2816 be recalled from the Committee on Environment, Energy and Natural Resources Policy and Finance and be re-referred to the Committee on Agriculture and Rural Development Policy and Finance. The motion prevailed.

#### ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 4:30 p.m., Wednesday, March 14, 2012. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 4:30 p.m., Wednesday, March 14, 2012.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives