

STATE OF MINNESOTA

Journal of the House

EIGHTY-SEVENTH SESSION — 2012

ONE HUNDRED SEVENTEENTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MAY 8, 2012

The House of Representatives convened at 3:00 p.m. and was called to order by Kurt Zellers, Speaker of the House.

Prayer was offered by Representative Mary Murphy, District 6B, Hermantown, 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	Davids	Hackbarth	Kriesel	Morrow	Scott
Allen	Davnie	Hamilton	Laine	Mullery	Shimanski
Anderson, B.	Dean	Hancock	Lanning	Murphy, E.	Simon
Anderson, D.	Dettmer	Hansen	Leidiger	Murphy, M.	Slawik
Anderson, P.	Dill	Hausman	LeMieur	Murray	Slocum
Anderson, S.	Dittrich	Hilstrom	Lenczewski	Myhra	Smith
Anzelc	Doepke	Hilty	Lesch	Nelson	Stensrud
Atkins	Downey	Holberg	Liebling	Nornes	Swedzinski
Banaian	Drazkowski	Hoppe	Lillie	Norton	Thissen
Barrett	Eken	Hornstein	Loeffler	O'Driscoll	Tillberry
Beard	Erickson	Hortman	Lohmer	Paymar	Torkelson
Benson, J.	Fabian	Hosch	Loon	Pelowski	Urdahl
Benson, M.	Falk	Howes	Mack	Peppin	Vogel
Bills	Franson	Huntley	Mahoney	Persell	Wagenius
Brynaert	Fritz	Johnson	Mariani	Petersen, B.	Ward
Buesgens	Garofalo	Kahn	Marquart	Poppe	Wardlow
Carlson	Gauthier	Kath	Mazorol	Quam	Westrom
Champion	Gottwalt	Kelly	McElfatrick	Rukavina	Winkler
Clark	Greene	Kieffer	McFarlane	Runbeck	Woodard
Cornish	Greiling	Kiel	McNamara	Sanders	Spk. Zellers
Crawford	Gruenhagen	Kiffmeyer	Melin	Scalze	
Daudt	Gunther	Knuth	Moran	Schomacker	

A quorum was present.

McDonald, Murdock and Peterson, S., were excused.

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.

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PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 4, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State, H. F. Nos. 2555, 2795, 2647 and 2269.

Sincerely,

MARK DAYTON
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2012 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2012</i>	<i>Date Filed 2012</i>
	2555	278	3:20 p.m. May 4	May 4
	2795	279	3:27 p.m. May 4	May 4
	2647	280	3:27 p.m. May 4	May 4
	2269	282	3:29 p.m. May 4	May 4

Sincerely,

MARK RITCHIE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 4, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

I have vetoed and am returning H. F. No. 2337, Chapter No. 285, the Omnibus Tax Bill.

It has been my consistent position throughout this session that any new spending increases or tax reductions had to maintain the current Budget Reserve and avoid increasing future deficits. I reiterated that position, when I vetoed the bill that would have taken \$425 million from the reserves to accelerate repayment of the school shift.

This bill would not pay for the business property tax levy freeze and other tax breaks. It would reduce the Budget Reserve for the current biennium and add another \$145 million to the deficit projected for the next biennium, which is already projected to be \$1.1 billion. Freezing the state business levy would reduce state revenues by a total of \$2.3 billion between 2013 and 2026.

Other business tax cuts in the bill: the Angel Investment Tax Credit, Research and Development Tax Credit, and the Upfront Capital Equipment Sales Tax Exemption, are also unfunded. While I support some versions of those tax breaks, and I included variations in my earlier recommendations, my proposals were always funded by adding the Affiliate-Nexus provision that would benefit many main street Minnesota businesses and by closing tax preferences for foreign operations.

Furthermore, while the bill would provide \$45.4 million in tax relief (mostly property tax relief) to businesses, it would give only \$4.1 million in tax relief to homeowners and virtually none to renters, seniors, and farmers. This imbalance is unfair, especially since over the past decade business property taxes have increased by an average 40 percent in Minnesota, while all other property taxes have increased by 79 percent.

For homeowners, renters, and farmers, the bill would not begin to undo the damage from last year's elimination of the Homestead Credit and cuts in Local Government Aids. I remain committed to broad-based, comprehensive property tax relief for all property taxpayers, including-but not limited exclusively to-businesses.

I am most willing to consider the initiatives that assist local communities with economic development. Regarding the Mall of America project, I am interested in exploring an alternative, which would not require the host community to bear such a large share of the financial burden. It would be preferable to find an approach, which recognizes the project's regional and even statewide benefits through statewide, regional, or user-generated financial support.

Two weeks ago, we began discussions about a bi-partisan, fiscally responsible tax bill to encourage economic growth and job creation. That bi-partisan effort was abandoned for this very partisan measure. In the short time left in this session, I remain available to continue our development of a fair, financially sound tax bill, which encourages job creation, but not at the expense of our future.

Sincerely,

MARK DAYTON
Governor

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Hornstein introduced:

H. F. No. 3048, A bill for an act relating to taxation; income and franchise; establishing a live theater production partnership credit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 2685, A bill for an act relating to transportation; modifying provisions governing transportation policy and finance, including trunk highway designation, work and contracting on trunk highways, motor vehicles, motor vehicle weight limit regulations, motor vehicle titles, electric-assisted bicycles and related regulations, bridge inspections, special veterans license plates, pupil transportation, municipal state-aid street fund eligibility and apportionment, small vehicle passenger service, driver and vehicle information system, deputy registrars of motor vehicles, civilian escort drivers, bicycle equipment, school buses, small business contracts, and legislative reports; making contingent appropriations; setting fees; renumbering statutes; making technical changes; amending Minnesota Statutes 2010, sections 160.27, by adding a subdivision; 160.2715; 161.14, by adding a subdivision; 161.20, subdivision 4; 161.321; 161.3212; 162.09, by adding a subdivision; 165.01; 165.03; 168.002, subdivisions 19, 20; 168.012, by adding a subdivision; 168.013, subdivision 3, by adding a subdivision; 168.185; 168A.03, subdivision 1; 168A.07, subdivision 1; 169.011, subdivisions 4, 27, 44, 45; 169.06, subdivision 4; 169.222, subdivisions 4, 6, 7, by adding subdivisions; 169.223, subdivisions 1, 5; 169.72, subdivision 1; 169.86, subdivision 3b; 169.872, subdivision 1a; 169.98, subdivisions 1, 3; 171.01, subdivision 41; 171.02, subdivision 2b; 174.03, subdivision 1b; 221.091, subdivision 2; 299D.085, subdivision 1, by adding a subdivision; 299D.09; 473.388, subdivisions 2, 4; 604A.21, subdivision 5; Minnesota Statutes 2011 Supplement, sections 168.12, subdivision 5; 168.123, subdivision 1; 171.075, subdivision 1; 299A.705, subdivision 3; Laws 2009, chapter 158, section 10; Laws 2011, First Special Session chapter 3, article 1, section 4; proposing coding for new law in Minnesota Statutes, chapters 161; 171; 375; repealing Minnesota Rules, parts 8810.9000; 8810.9100; 8810.9200; 8810.9300; 8810.9400; 8810.9500; 8810.9600; 8810.9700.

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

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1752, A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing programs; authorizing the sale and issuance of state bonds; modifying previous appropriations; authorizing Cook County to form a district for the construction of water facilities and provision of water service; authorizing the commissioner of natural resources to make certain acquisitions of land or interests in land; appropriating money; amending Minnesota Statutes 2010, sections 16A.633, by adding a subdivision; 16A.641, subdivision 9; 462A.21, by adding a subdivision; Minnesota Statutes 2011 Supplement, sections 16A.641, subdivision 7; 16A.96, by adding a subdivision; Laws 2006, chapter 258, sections 7, subdivision 23, as amended; 17, subdivision 3; Laws 2008, chapter 179, sections 7, subdivision 27, as amended; 17, subdivision 4; 18, subdivision 3, as amended; 19, subdivision 4, as amended; 21, subdivision 15, as amended; Laws 2009, chapter 93, article 1, section 12, subdivision 2; Laws 2010, chapter 189, sections 18, subdivision 5; 24, subdivision 3; Laws 2011, First Special Session chapter 12, sections 3, subdivisions 7, 8; 14, subdivision 2; 19; 22; proposing coding for new law in Minnesota Statutes, chapters 15B; 116J; 462A; repealing Laws 2011, chapter 107, section 101; Minnesota Rules, part 8895.0700, subpart 1.

CAL R. LUDEMAN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Howes moved that the House concur in the Senate amendments to H. F. No. 1752 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1752, A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing programs; authorizing the sale and issuance of state bonds; modifying previous appropriations; authorizing Cook County to form a district for the construction of water facilities and provision of water service; authorizing the commissioner of natural resources to make certain acquisitions of land or interests in land; appropriating money; amending Minnesota Statutes 2010, sections 16A.633, by adding a subdivision; 16A.641, subdivision 9; 462A.21, by adding a subdivision; Minnesota Statutes 2011 Supplement, sections 16A.641, subdivision 7; 16A.96, by adding a subdivision; Laws 2006, chapter 258, sections 7, subdivision 23, as amended; 17, subdivision 3; Laws 2008, chapter 179, sections 7, subdivision 27, as amended; 17, subdivision 4; 18, subdivision 3, as amended; 19, subdivision 4, as amended; 21, subdivision 15, as amended; Laws 2009, chapter 93, article 1, section 12, subdivision 2; Laws 2010, chapter 189, sections 18, subdivision 5; 24, subdivision 3; Laws 2011, First Special Session chapter 12, sections 3, subdivisions 7, 8; 14, subdivision 2; 19; 22; proposing coding for new law in Minnesota Statutes, chapters 15B; 16B; 116J; 462A; repealing Laws 2011, chapter 107, section 101; Minnesota Rules, part 8895.0700, subpart 1.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 97 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Abeler	Anzelc	Barrett	Brynaert	Clark	Davnie
Allen	Atkins	Beard	Carlson	Cornish	Dean
Anderson, P.	Banaian	Benson, J.	Champion	Davids	Dill

Dittrich	Hausman	Kriesel	McElfatrick	Paymar	Tillberry
Eken	Hilstrom	Laine	McFarlane	Pelowski	Torkelson
Fabian	Hilty	Lanning	McNamara	Persell	Urdahl
Falk	Hornstein	LeMieur	Melin	Poppe	Vogel
Franson	Hortman	Lenczewski	Moran	Rukavina	Wagenius
Fritz	Hosch	Lesch	Morrow	Scalze	Ward
Garofalo	Howes	Liebling	Mullery	Schomacker	Westrom
Gauthier	Huntley	Lillie	Murphy, E.	Shimanski	Winkler
Gottwalt	Johnson	Loeffler	Murphy, M.	Simon	Spk. Zellers
Greene	Kahn	Lohmer	Murray	Slawik	
Greiling	Kath	Mahoney	Nelson	Slocum	
Gunther	Kelly	Mariani	Nornes	Smith	
Hamilton	Kiel	Marquart	Norton	Swedzinski	
Hansen	Knuth	Mazorol	O'Driscoll	Thissen	

Those who voted in the negative were:

Anderson, B.	Crawford	Erickson	Kieffer	Peppin	Stensrud
Anderson, D.	Daudt	Gruenhagen	Kiffmeyer	Petersen, B.	Wardlow
Anderson, S.	Dettmer	Hackbarth	Leidiger	Quam	Woodard
Benson, M.	Doepke	Hancock	Loon	Runbeck	
Bills	Downey	Holberg	Mack	Sanders	
Buesgens	Drzkowski	Hoppe	Myhra	Scott	

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

Dean moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, May 9, 2012. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Wednesday, May 9, 2012.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives