

STATE OF MINNESOTA

EIGHTY-SEVENTH SESSION — 2011

 SIXTY-THIRD DAY

SAINT PAUL, MINNESOTA, SUNDAY, MAY 22, 2011

The House of Representatives convened at 4:00 p.m. and was called to order by Kurt Zellers, Speaker of the House.

Prayer was offered by the Reverend Grady St. Dennis, House Chaplain.

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

A quorum was present.

Champion was excused. Hayden was excused until 5:40 p.m. Kath was excused until 8:10 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.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Gunther introduced:

H. F. No. 1754, A bill for an act relating to human services; modifying the personal care assistance choice option; amending Minnesota Statutes 2010, section 256B.0659, subdivisions 20, 21, 24.

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

Loon, Zellers and Gunther introduced:

H. F. No. 1755, A bill for an act relating to restaurants; providing for the Restaurant Recovery and Jobs Creation Act; expanding the sales tax exemption for certain meals and drinks; expanding the capital equipment exemption; providing for the application of gratuities in calculating the minimum wage; modifying the calculation of unemployment taxes; modifying license fees; amending Minnesota Statutes 2010, sections 157.16; 177.24, subdivisions 1, 2; 268.035, subdivision 24; 297A.68, subdivision 5, by adding subdivisions.

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

Drazkowski; Kelly; Benson, M.; Quam; Dettmer and Runbeck introduced:

H. F. No. 1756, A bill for an act relating to state government; making provisions in the event of a government shutdown; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

Hayden introduced:

H. F. No. 1757, A bill for an act relating to homelessness; providing for comprehensive evaluation and assistance to young children in families experiencing homelessness; amending Minnesota Statutes 2010, sections 256K.26; 462A.204, by adding a subdivision.

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

Gauthier, Norton, Kriesel and Kieffer introduced:

H. F. No. 1758, A bill for an act relating to health; establishing a sexual violence working group; amending school violence prevention curriculum; requiring reports; amending Minnesota Statutes 2010, section 120B.22.

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

Smith, by request, introduced:

H. F. No. 1759, A bill for an act relating to retirement; Public Employees Retirement Association privatizations; decreasing augmentation rates applicable to new privatizations; amending Minnesota Statutes 2010, section 353F.04, subdivision 1.

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

**REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION**

Dean from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Sunday, May 22, 2011:

S. F. Nos. 54, 712, 429, 1197 and 346.

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 Speaker pro tempore Davids.

Slawik was excused between the hours of 5:00 p.m. and 5:20 p.m.

CALENDAR FOR THE DAY

S. F. No. 1159, A bill for an act relating to workers' compensation; adopting recommendations of the Workers' Compensation Advisory Council; increasing amount available for remodeling or alteration projects; requiring rulemaking; appropriating money; amending Minnesota Statutes 2010, sections 14.48, subdivisions 2, 3; 14.49; 14.50; 176.106, subdivisions 1, 3, 5, 6, 7, 8, 9; 176.137, subdivisions 2, 4, 5; 176.238, subdivision 6; 176.305, subdivisions 1, 1a; 176.307; 176.341, subdivision 4.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, S.	Banaian	Benson, J.	Brynaert	Cornish
Anderson, D.	Anzelc	Barrett	Benson, M.	Carlson	Crawford
Anderson, P.	Atkins	Beard	Bills	Clark	Daudt

Davids	Greene	Johnson	Lohmer	Nelson	Shimanski
Davnie	Greiling	Kahn	Loon	Nornes	Simon
Dean	Gruenhagen	Kelly	Mack	Norton	Slocum
Dettmer	Gunther	Kieffer	Mahoney	O'Driscoll	Smith
Dill	Hackbarth	Kiel	Mariani	Paymar	Stensrud
Dittrich	Hamilton	Kiffmeyer	Marquart	Pelowski	Swedzinski
Doepke	Hancock	Knuth	Mazorol	Peppin	Thissen
Downey	Hansen	Koenen	McDonald	Persell	Tillberry
Drazkowski	Hausman	Kriesel	McElfatrick	Petersen, B.	Torkelson
Eken	Hilstrom	Laine	McFarlane	Peterson, S.	Urdahl
Erickson	Hilty	Lanning	McNamara	Poppe	Vogel
Fabian	Holberg	Leidiger	Melin	Quam	Wagenius
Falk	Hoppe	LeMieur	Moran	Rukavina	Ward
Franson	Hornstein	Lenczewski	Mullery	Runbeck	Wardlow
Fritz	Hortman	Lesch	Murdock	Sanders	Westrom
Garofalo	Hosch	Liebling	Murphy, M.	Scalze	Winkler
Gauthier	Howes	Lillie	Murray	Schomacker	Woodard
Gottwalt	Huntley	Loeffler	Myhra	Scott	Spk. Zellers

Those who voted in the negative were:

Anderson, B. Buesgens Morrow Murphy, E.

The bill was passed and its title agreed to.

Kieffer was excused for remainder of today's session.

S. F. No. 1197 was reported to the House.

Beard moved to amend S. F. No. 1197, the second engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 16E.15, subdivision 2, is amended to read:

Subd. 2. **Software sale fund.** (a) Except as provided in ~~paragraphs~~ paragraph (b) ~~and (c)~~, proceeds of the sale or licensing of software products or services by the chief information officer must be credited to the enterprise technology revolving fund. If a state agency other than the Office of Enterprise Technology has contributed to the development of software sold or licensed under this section, the chief information officer may reimburse the agency by discounting computer services provided to that agency.

(b) Proceeds of the sale or licensing of software products or services developed by the Pollution Control Agency, or custom developed by a vendor for the agency, must be credited to the environmental fund.

~~(c) Proceeds of the sale or licensing of software products or services developed by the Department of Education, or custom developed by a vendor for the agency, to support the achieved savings assessment program, must be appropriated to the commissioner of education and credited to the weatherization program to support weatherization activities.~~

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

Sec. 2. Minnesota Statutes 2010, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The public utility that owns the Prairie Island nuclear generating plant must transfer to a renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (d). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year. Funds in the account may be expended only for development of renewable energy sources. Preference must be given to development of renewable energy source projects located within the state. The utility that owns a nuclear generating plant is eligible to apply for renewable development fund grants. The utility's proposals must be evaluated by the renewable development fund board in a manner consistent with that used to evaluate other renewable development fund project proposals.

(b) The public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (d). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(c) Expenditures authorized by this subdivision from the account may only be made after approval by order of the Public Utilities Commission upon a petition by the public utility. Commission approval is not required for expenditures required under subdivisions 2 and 3, section 116C.7791, or other law.

(d) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

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

Sec. 3. Minnesota Statutes 2010, section 116C.779, subdivision 3, is amended to read:

Subd. 3. **Initiative for Renewable Energy and the Environment.** (a) Beginning July 1, 2009, and each July 1 through ~~2012~~ 2011, \$5,000,000 must be allocated from the renewable development account to fund a grant to the Board of Regents of the University of Minnesota for the Initiative for Renewable Energy and the Environment for the purposes described in paragraph (b). The Initiative for Renewable Energy and the Environment must set aside at least 15 percent of the funds received annually under the grant for qualified projects conducted at a rural campus or experiment station. Any set-aside funds not awarded to a rural campus or experiment station at the end of the fiscal year revert back to the Initiative for Renewable Energy and the Environment for its exclusive use. This subdivision does not create an obligation to contribute funds to the account.

(b) Activities funded under this grant may include, but are not limited to:

(1) environmentally sound production of energy from a renewable energy source, including biomass and agricultural crops;

(2) environmentally sound production of hydrogen from biomass and any other renewable energy source for energy storage and energy utilization;

- (3) development of energy conservation and efficient energy utilization technologies;
 - (4) energy storage technologies; and
 - (5) analysis of policy options to facilitate adoption of technologies that use or produce low-carbon renewable energy.
- (c) For the purposes of this subdivision:

(1) "biomass" means plant and animal material, agricultural and forest residues, mixed municipal solid waste, and sludge from wastewater treatment; and

(2) "renewable energy source" means hydro, wind, solar, biomass, and geothermal energy, and microorganisms used as an energy source.

(d) Beginning January 15 of 2010, and each year thereafter, the director of the Initiative for Renewable Energy and the Environment at the University of Minnesota shall submit a report to the chair and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy finance describing the activities conducted during the previous year funded under this subdivision.

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

Sec. 4. Minnesota Statutes 2010, section 216A.07, is amended by adding a subdivision to read:

Subd. 3a. Regional and national duties. The Department of Commerce has the duty and power to represent the interests of Minnesota residents, businesses, and governments before bodies and agencies outside the state that make, interpret, or implement regional, national, and international energy policy and that regulate and implement regional or national energy planning or infrastructure development. This subdivision does not limit regional, national, or international activities of the Public Utilities Commission.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 5. Minnesota Statutes 2010, section 216B.02, is amended by adding a subdivision to read:

Subd. 1b. Commissioner. "Commissioner" means the commissioner of the Minnesota Department of Commerce.

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

Sec. 6. Minnesota Statutes 2010, section 216B.026, subdivision 1, is amended to read:

Subdivision 1. **Election.** ~~(a)~~ A cooperative electric association may elect to become subject to rate regulation by the commission pursuant to sections 216B.03 to 216B.23. The election shall be approved by a majority of members or stockholders voting by mail ballot initiated by petition of not less than five percent of the members or stockholders of the association, as determined by membership figures submitted by the association to the Rural Electric Administration for the month in which the petition was submitted.

~~(b) For a cooperative electric association that is the product of a merger or consolidation of three or more associations between December 30, 1996, and January 1, 2001, the number of members or stockholders necessary to initiate the petition shall be no less than one percent of the members or stockholders of the association.~~

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

Sec. 7. Minnesota Statutes 2010, section 216B.096, subdivision 3, is amended to read:

Subd. 3. **Utility obligations before cold weather period.** Each year, between September 1 and October 15, each utility must provide all customers, personally or by first class mail, or electronically for those requesting electronic billing, a summary of rights and responsibilities. The summary must also be provided to all new residential customers when service is initiated.

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

Sec. 8. Minnesota Statutes 2010, section 216B.16, subdivision 6b, is amended to read:

Subd. 6b. **Energy conservation improvement.** (a) Except as otherwise provided in this subdivision, all investments and expenses of a public utility as defined in section 216B.241, subdivision 1, paragraph (i), incurred in connection with energy conservation improvements shall be recognized and included by the commission in the determination of just and reasonable rates as if the investments and expenses were directly made or incurred by the utility in furnishing utility service.

(b) ~~The commission shall not include investments and expenses for energy conservation improvements shall not be included by the commission in the determination of determining~~ (i) just and reasonable electric ~~and gas~~ rates for retail electric ~~and gas~~ service provided to large ~~electric~~ customer facilities ~~that whose electric utilities~~ have been exempted by the commissioner ~~of the department pursuant to~~ under section 216B.241, subdivision 1a, paragraph (b) with respect to those large customer facilities; or (ii) just and reasonable gas rates for large energy facilities, large customer facilities whose natural gas utilities have been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (b) or commercial gas customer facilities whose natural gas utilities have been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (c).

(c) The commission may permit a public utility to file rate schedules providing for annual recovery of the costs of energy conservation improvements. These rate schedules may be applicable to less than all the customers in a class of retail customers if necessary to reflect the requirements of section 216B.241. The commission shall allow a public utility, without requiring a general rate filing under this section, to reduce the electric ~~and gas~~ rates applicable to large ~~electric~~ customer facilities that have been exempted by the commissioner ~~of the department pursuant to~~ under section 216B.241, subdivision 1a, paragraph (b), and to reduce the gas rate applicable to a large energy facility, a large customer facility or commercial customer facility that has been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (b) or (c), or by the commission under section 216B.241, subdivision 2, by an amount that reflects the elimination of energy conservation improvement investments or expenditures for those facilities. In the event that the commission has set electric or gas rates based on the use of an accounting methodology that results in the cost of conservation improvements being recovered from utility customers over a period of years, the rate reduction may occur in a series of steps to coincide with the recovery of balances due to the utility for conservation improvements made by the utility on or before December 31, 2007.

(d) Investments and expenses of a public utility shall not include electric utility infrastructure costs as defined in section 216B.1636, subdivision 1, paragraph (b).

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

Sec. 9. Minnesota Statutes 2010, section 216B.16, subdivision 7, is amended to read:

Subd. 7. **Energy and emission control products cost adjustment.** Notwithstanding any other provision of this chapter, the commission may permit a public utility to file rate schedules containing provisions for the automatic adjustment of charges for public utility service in direct relation to changes in:

- (1) federally regulated wholesale rates for energy delivered through interstate facilities;
- (2) direct costs for natural gas delivered; ~~or~~
- (3) costs for fuel used in generation of electricity or the manufacture of gas; or

(4) prudent costs incurred by a public utility for sorbents, reagents, or chemicals used to control emissions from an electric generation facility, provided that these costs are not recovered elsewhere in rates. The utility must track and report annually the volumes and costs of sorbents, reagents, or chemicals using separate accounts by generating plant.

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

Sec. 10. Minnesota Statutes 2010, section 216B.16, subdivision 9, is amended to read:

Subd. 9. **Charitable contribution.** The commission shall allow as operating expenses only those charitable contributions ~~which that~~ the commission deems prudent and ~~which that~~ qualify under section ~~290.21, subdivision 3, clause (b)~~ 300.66, subdivision 3. Only 50 percent of the qualified contributions ~~shall be~~ are allowed as operating expenses.

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

Sec. 11. Minnesota Statutes 2010, section 216B.16, subdivision 15, is amended to read:

Subd. 15. **Low-income affordability programs.** (a) The commission must consider ability to pay as a factor in setting utility rates and may establish affordability programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers. ~~Affordability programs may include inverted block rates in which lower energy prices are made available to lower usage customers. By September 1, 2007,~~ A public utility serving low-income residential ratepayers who use natural gas for heating must file an affordability program with the commission. For purposes of this subdivision, "low-income residential ratepayers" means ratepayers who receive energy assistance from the low-income home energy assistance program (LIHEAP).

(b) Any affordability program the commission orders a utility to implement must:

- (1) lower the percentage of income that participating low-income households devote to energy bills;
- (2) increase participating customer payments over time by increasing the frequency of payments;
- (3) decrease or eliminate participating customer arrears;
- (4) lower the utility costs associated with customer account collection activities; and
- (5) coordinate the program with other available low-income bill payment assistance and conservation resources.

(c) In ordering affordability programs, the commission may require public utilities to file program evaluations that measure the effect of the affordability program on:

- (1) the percentage of income that participating households devote to energy bills;
- (2) service disconnections; and
- (3) frequency of customer payments, utility collection costs, arrearages, and bad debt.

(d) The commission must issue orders necessary to implement, administer, and evaluate affordability programs, and to allow a utility to recover program costs, including administrative costs, on a timely basis. The commission may not allow a utility to recover administrative costs, excluding start-up costs, in excess of five percent of total program costs, or program evaluation costs in excess of two percent of total program costs. The commission must permit deferred accounting, with carrying costs, for recovery of program costs incurred during the period between general rate cases.

(e) Public utilities may use information collected or created for the purpose of administering energy assistance to administer affordability programs.

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

Sec. 12. Minnesota Statutes 2010, section 216B.16, is amended by adding a subdivision to read:

Subd. 19. Multiyear rate plan. (a) A public utility may propose, and the commission may approve, approve as modified, or reject, a multiyear rate plan as provided in this subdivision. The term "multiyear rate plan" refers to a plan establishing the rates the utility may charge for each year of the specified period of years, which cannot exceed three years, to be covered by the plan. The commission may approve a multiyear rate plan only if it finds that the plan establishes just and reasonable rates for the utility, applying the factors described in subdivision 6. Consistent with subdivision 4, the burden of proof to demonstrate that the multiyear rate plan is just and reasonable is on the public utility proposing the plan.

(b) Rates charged under the multiyear rate plan must be based only upon the utility's reasonable and prudent costs of service over the term of the plan, as determined by the commission, provided that the costs are not being recovered elsewhere in rates. Rate adjustments authorized under subdivisions 6b and 7 may continue outside of a plan authorized under this subdivision.

(c) The commission may, by order, establish terms, conditions, and procedures for a multiyear rate plan necessary to implement this section and ensure that rates remain just and reasonable during the course of the plan, including terms and procedures for rate adjustment. At any time prior to conclusion of a multiyear rate plan, the commission, upon its own motion or upon petition of any party, has the discretion to examine the reasonableness of the utility's rates under the plan, and adjust rates as necessary.

(d) In reviewing a multiyear rate plan proposed in a general rate case under this section, the commission may extend the time requirements for issuance of a final determination prescribed in this section by an additional 90 days beyond its existing authority under subdivision 2, paragraph (f).

(e) A utility may not file a multiyear rate plan that would establish rates under the terms of the plan until after May 31, 2012.

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

Sec. 13. **[216B.1614] NUCLEAR POWER PLANT DECOMMISSIONING AND STORAGE OF USED NUCLEAR FUEL.**

Subdivision 1. Decommissioning costs. (a) The Public Utilities Commission shall, when considering approval of a plan for the accrual of funds for the decommissioning of nuclear facilities filed in accordance with a commission order, include an evaluation of the costs, if any, arising from storage of used nuclear fuel that may be incurred by the state of Minnesota, and any tribal community, county, city, or township where used nuclear fuel is located following the cessation of operations at a nuclear plant.

(b) To assist the commission in making the determination required in paragraph (a), the filing shall provide cost estimates, including ratepayer impacts, assuming used nuclear fuel will be stored in the state for 60 years, 100 years, and 200 years following the cessation of operation of the nuclear plant.

Subd. 2. **Rate.** A public utility filing a decommissioning plan in accordance with a commission order and this section may include, as part of a general rate case petition, the costs of decommissioning accrual incurred in complying with a commission order implementing this section.

Subd. 3. **Commission report.** The commission shall prepare a nuclear decommissioning report after each of the commission's periodic review of nuclear decommissioning costs. The report shall be submitted within 180 days of the date of the final order related to that review to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy and public safety. That report shall, without limitation, include the following:

(1) an explanation of the commission's funding decisions regarding nuclear decommissioning;

(2) the progress of the United States Department of Energy to remove from Minnesota spent fuel produced by nuclear generating plants in Minnesota;

(3) an analysis of the financial and other obligations related to decommissioning and storage of used fuel of the utility holding title to spent nuclear fuel to the state and to host communities, including affected tribal communities; and

(4) any recommendations to the legislature on legislation or other actions that may be necessary for addressing long-term or indefinite storage costs.

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

Sec. 14. Minnesota Statutes 2010, section 216B.1691, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy technology" means an energy technology that generates electricity from the following renewable energy sources:

(1) solar;

(2) wind;

(3) hydroelectric with a capacity of less than 100 megawatts;

(4) hydrogen, provided that after January 1, 2010, the hydrogen must be generated from the resources listed in this paragraph; or

(5) biomass, which includes, without limitation, landfill gas; an anaerobic digester system; the predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge to produce electricity; and an energy recovery facility used to capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a primary fuel.

(b) "Electric utility" means a public utility providing electric service, a generation and transmission cooperative electric association, a municipal power agency, or a power district.

(c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by an electric utility to retail customers of the electric utility or to a distribution utility for distribution to the retail customers of the distribution utility. "Total retail electric sales" does not include the sale of hydroelectricity supplied by a federal power marketing administration or other federal agency, regardless of whether the sales are directly to a distribution utility or are made to a generation and transmission utility and pooled for further allocation to a distribution utility.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2010, and applies to sales of electricity made on and after that date.

Sec. 15. Minnesota Statutes 2010, section 216B.1691, is amended by adding a subdivision to read:

Subd. 2e. Rate impact of standard compliance; report. Each electric utility must submit to the commission and the legislative committees with primary jurisdiction over energy policy a report containing an estimation of the rate impact of activities of the electric utility necessary to comply with section 216B.1691. The rate impact estimate must be for wholesale rates and, if the electric utility makes retail sales, the estimate shall also be for the impact on the electric utility's retail rates. Those activities include, without limitation, energy purchases, generation facility acquisition and construction, and transmission improvements. An initial report must be submitted within 150 days of the effective date of this section. After the initial report, a report must be updated and submitted as part of each integrated resource plan or plan modification filed by the electric utility under section 216B.2422. The reporting obligation of an electric utility under this subdivision expires December 31, 2025, for an electric utility subject to subdivision 2a, paragraph (a), and December 31, 2020, for an electric utility subject to subdivision 2a, paragraph (b).

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

Sec. 16. Minnesota Statutes 2010, section 216B.1694, is amended by adding a subdivision to read:

Subd. 3. Staging and permitting. (a) A natural gas-fired plant that is located on one site designated as an innovative energy project site under subdivision 1, clause (3), is accorded the regulatory incentives granted to an innovative energy project under subdivision 2, clauses (1) through (3), and may exercise the authorities therein.

(b) Following issuance of a final state or federal environmental impact statement for an innovative energy project that was a subject of contested case proceedings before an administrative law judge:

(1) site and route permits and water appropriation approvals for an innovative energy project must also be deemed valid for a plant meeting the requirements of paragraph (a) and shall remain valid until the earlier of (i) four years from the date the final required state or federal preconstruction permit is issued or (ii) June 30, 2019; and

(2) no air, water, or other permit issued by a state agency that is necessary for constructing an innovative energy project may be the subject of contested case hearings, notwithstanding Minnesota Rules, parts 7000.1750 to 7000.2200.

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

Sec. 17. Minnesota Statutes 2010, section 216B.2401, is amended to read:

216B.2401 ENERGY CONSERVATION POLICY GOAL.

It is the energy policy of the state of Minnesota to achieve annual energy savings equal to 1.5 percent of annual retail energy sales of electricity and natural gas directly through energy conservation improvement programs and rate design, ~~such as inverted block rates in which lower energy prices are made available to lower usage residential~~

customers, and indirectly through energy codes and appliance standards, programs designed to transform the market or change consumer behavior, energy savings resulting from efficiency improvements to the utility infrastructure and system, and other efforts to promote energy efficiency and energy conservation.

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

Sec. 18. Minnesota Statutes 2010, section 216B.241, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section and section 216B.16, subdivision 6b, the terms defined in this subdivision have the meanings given them.

(a) "Commission" means the Public Utilities Commission.

(b) "Commissioner" means the commissioner of commerce.

(c) ~~"Customer facility" means all buildings, structures, equipment, and installations at a single site.~~

~~(d)~~ "Department" means the Department of Commerce.

~~(e)~~ (d) "Energy conservation" means demand-side management of energy supplies resulting in a net reduction in energy use. Load management that reduces overall energy use is energy conservation.

~~(f)~~ (e) "Energy conservation improvement" means a project that results in energy efficiency or energy conservation. Energy conservation improvement may include waste heat recovery converted into electricity but does not include electric utility infrastructure projects approved by the commission under section 216B.1636.

~~(g)~~ (f) "Energy efficiency" means measures or programs, including energy conservation measures or programs, that target consumer behavior, equipment, processes, or devices designed to produce either an absolute decrease in consumption of electric energy or natural gas or a decrease in consumption of electric energy or natural gas on a per unit of production basis without a reduction in the quality or level of service provided to the energy consumer.

~~(h)~~ (g) "Gross annual retail energy sales" means annual electric sales to all retail customers in a utility's or association's Minnesota service territory or natural gas throughput to all retail customers, including natural gas transportation customers, on a utility's distribution system in Minnesota. For purposes of this section, gross annual retail energy sales exclude:

(1) gas sales to:

(i) a large energy facility;

(ii) a large customer facility whose natural gas utility has been exempted by the commissioner under subdivision 1a, paragraph (b), with respect to natural gas sales made to the large customer facility; and

(iii) a commercial gas customer facility whose natural gas utility has been exempted by the commissioner under subdivision 1a, paragraph (c), with respect to natural gas sales made to the commercial gas customer facility; and ~~gas and~~

(2) electric sales to a large ~~electric~~ customer facility whose electric utility has been exempted by the commissioner under subdivision 1a, paragraph (b), with respect to electric sales made to the large customer facility.

(+) (h) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement, including but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no-interest or below-market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

(+) (i) "~~Large electric customer facility~~" means ~~a customer facility that imposes all buildings, structures, equipment, and installations at a single site that collectively: (1) impose a peak electrical demand on an electric utility's system of not less than 20,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electrical demand for billing purposes, and for which electric services are provided at retail on a single bill by a utility operating in the state or (2) consume not less than 500 million cubic feet of natural gas annually. In calculating peak electrical demand, a large customer facility may include demand offset by on-site cogeneration facilities and, if engaged in mineral extraction, may aggregate peak energy demand from the large customer facility's mining and processing operations.~~

(+) (j) "Large energy facility" has the meaning given it in section 216B.2421, subdivision 2, clause (1).

(+) (k) "Load management" means an activity, service, or technology to change the timing or the efficiency of a customer's use of energy that allows a utility or a customer to respond to wholesale market fluctuations or to reduce peak demand for energy or capacity.

(+) (l) "Low-income programs" means energy conservation improvement programs that directly serve the needs of low-income persons, including low-income renters.

(+) (m) "Qualifying utility" means a utility that supplies the energy to a customer that enables the customer to qualify as a large customer facility.

(n) "Waste heat recovery converted into electricity" means an energy recovery process that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines or manufacturing or industrial processes, or the reduction of high pressure in water or gas pipelines.

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

Sec. 19. Minnesota Statutes 2010, section 216B.241, subdivision 1a, is amended to read:

Subd. 1a. **Investment, expenditure, and contribution; public utility.** (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

(1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues from service provided in the state;

(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and

(3) for a utility that furnishes electric service and that operates a nuclear-powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state.

For purposes of this paragraph (a), "gross operating revenues" do not include revenues from large electric customer facilities exempted by the commissioner under paragraph (b), or from commercial gas customers that are exempted under paragraph (c) or (e).

(b) The owner of a large electric customer facility may petition the commissioner to exempt both electric and gas utilities serving the large energy customer facility from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the large customer facility. At a minimum, the petition must be supported by evidence relating to competitive or economic pressures on the customer and a showing by the customer of reasonable efforts to identify, evaluate, and implement cost effective conservation improvements at the facility. If a petition is filed on or before October 1 of any year, the order of the commissioner to exempt revenues attributable to the facility can be effective no earlier than January 1 of the following year. The commissioner shall not grant an exemption if the commissioner determines that granting the exemption is contrary to the public interest. The commissioner may, after investigation, rescind any exemption granted under this paragraph upon a determination that the customer is not continuing to make reasonable efforts to identify, evaluate, and implement energy conservation improvements at the large electric customer facility. For the purposes of investigations by the commissioner under this paragraph, the owner of any large electric customer facility shall, upon request, provide the commissioner with updated information comparable to that originally supplied in or with the owner's original petition under this paragraph. The filing must include a discussion of the competitive or economic pressures facing the owner of the facility and the efforts taken by the owner to identify, evaluate, and implement energy conservation and efficiency improvements. A filing submitted on or before October 1 of any year must be approved within 90 days and become effective January 1 of the year following the filing, unless the commissioner finds that the owner of the large customer facility has failed to take reasonable measures to identify, evaluate, and implement energy conservation and efficiency improvements. If a facility qualifies as a large customer facility solely due to its peak electrical demand or annual natural gas usage, the exemption may be limited to the qualifying utility if the commissioner finds that the owner of the large customer facility has failed to take reasonable measures to identify, evaluate, and implement energy conservation and efficiency improvements with respect to the nonqualifying utility. Once an exemption is approved, the commissioner may request the owner of a large customer facility to submit, not more often than once every five years, a report demonstrating the large customer facility's ongoing commitment to energy conservation and efficiency improvement after the exemption filing. The commissioner may request such reports for up to ten years after the effective date of the exemption, unless the majority ownership of the large customer facility changes, in which case the commissioner may request additional reports for up to ten years after the change in ownership occurs. The commissioner may, within 180 days of receiving a report submitted under this paragraph, rescind any exemption granted under this paragraph upon a determination that the large customer facility is not continuing to make reasonable efforts to identify, evaluate, and implement energy conservation improvements. A large customer facility that is, under an order from the commissioner, exempt from the investment and expenditure requirements of paragraph (a) as of December 31, 2010, is not required to submit a report to retain its exempt status, except as otherwise provided in this paragraph with respect to ownership changes. No exempt large customer facility may participate in a utility conservation improvement program unless the owner of the facility submits a filing with the commissioner to withdraw its exemption.

(c) A commercial gas customer that is not a large customer facility and that purchases or acquires natural gas from a public utility having fewer than 600,000 natural gas customers in Minnesota may petition the commissioner to exempt gas utilities serving the commercial gas customer from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the commercial gas customer. The petition must be supported by evidence demonstrating that the commercial gas customer has acquired or can reasonably acquire the capability to bypass use of the utility's gas distribution system by obtaining natural gas directly from a supplier not regulated by the commission. The commissioner shall grant the exemption if the commissioner finds that the petitioner has made the demonstration required by this paragraph.

(d) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100 megawatts or greater within five years under midrange forecast assumptions.

(~~d~~) (e) A public utility or owner of a large electric customer facility may appeal a decision of the commissioner under paragraph (b) ~~or~~ (c), or (d) to the commission under subdivision 2. In reviewing a decision of the commissioner under paragraph (b) ~~or~~ (c), or (d), the commission shall rescind the decision if it finds that the required investments or spending will:

- (1) not result in cost-effective energy conservation improvements; or
- (2) otherwise not be in the public interest.

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

Sec. 20. Minnesota Statutes 2010, section 216B.241, subdivision 1c, is amended to read:

Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving goals for energy conservation improvement expenditures and shall evaluate an energy conservation improvement program on how well it meets the goals set.

(b) Each individual utility and association shall have an annual energy-savings goal equivalent to 1.5 percent of gross annual retail energy sales unless modified by the commissioner under paragraph (d). The savings goals must be calculated based on the most recent three-year weather normalized average. A utility or association may elect to carry forward energy savings in excess of 1.5 percent for a year to the succeeding three calendar years, except that savings from electric utility infrastructure projects allowed under paragraph (d) may be carried forward for five years. A particular energy savings can be used only for one year's goal.

(c) The commissioner must adopt a filing schedule that is designed to have all utilities and associations operating under an energy-savings plan by calendar year 2010.

(d) In its energy conservation improvement plan filing, a utility or association may request the commissioner to adjust its annual energy-savings percentage goal based on its historical conservation investment experience, customer class makeup, load growth, a conservation potential study, or other factors the commissioner determines warrants an adjustment. The commissioner may not approve a plan of a public utility that provides for an annual energy-savings goal of less than one percent of gross annual retail energy sales from energy conservation improvements.

A utility or association may include in its energy conservation plan energy savings from electric utility infrastructure projects approved by the commission under section 216B.1636 or waste heat recovery converted into electricity projects that may count as energy savings in addition to ~~the~~ a minimum energy-savings goal of at least one percent for energy conservation improvements. Electric utility infrastructure projects must result in increased energy efficiency greater than that which would have occurred through normal maintenance activity.

(e) An energy-savings goal is not satisfied by attaining the revenue expenditure requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the energy-savings goal established in this subdivision.

(f) An association or utility is not required to make energy conservation investments to attain the energy-savings goals of this subdivision that are not cost-effective even if the investment is necessary to attain the energy-savings goals. For the purpose of this paragraph, in determining cost-effectiveness, the commissioner shall consider the costs and benefits to ratepayers, the utility, participants, and society. In addition, the commissioner shall consider the rate at which an association or municipal utility is increasing its energy savings and its expenditures on energy conservation.

(g) On an annual basis, the commissioner shall produce and make publicly available a report on the annual energy savings and estimated carbon dioxide reductions achieved by the energy conservation improvement programs for the two most recent years for which data is available. The commissioner shall report on program performance both in the aggregate and for each entity filing an energy conservation improvement plan for approval or review by the commissioner.

(h) By January 15, 2010, the commissioner shall report to the legislature whether the spending requirements under subdivisions 1a and 1b are necessary to achieve the energy-savings goals established in this subdivision.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to energy savings plans for calendar year 2012 and thereafter.

Sec. 21. Minnesota Statutes 2010, section 216B.241, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) The commissioner may require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover no more than a three-year period. Public utilities shall file conservation improvement plans by June 1, on a schedule determined by order of the commissioner, but at least every three years. Plans received by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year. The commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The commissioner's order must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

(b) The commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department.

(c) Each public utility subject to subdivision 1a may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility.

(d) A public utility may not spend for or invest in energy conservation improvements that directly benefit a large energy facility or a large electric customer facility for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision, a nonprofit corporation, or community organization.

(e) A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

(f) The commissioner may order a public utility to include, with the filing of the utility's ~~proposed conservation improvement plan under paragraph (a)~~ annual status report, the results of an independent audit of the utility's conservation improvement programs and expenditures performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the utility. The audit must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility that is the result of the spending and investments. The audit must evaluate the cost-effectiveness of the utility's conservation programs.

(g) A gas utility may not spend for or invest in energy conservation improvements that directly benefit a large customer facility or commercial gas customer facility for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b), (c), or (e). The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision, a nonprofit corporation, or community organization.

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

Sec. 22. Minnesota Statutes 2010, section 216B.2425, subdivision 2, is amended to read:

Subd. 2. **List development; transmission projects report.** (a) By November 1 of each odd-numbered year, a transmission projects report must be submitted to the commission by each utility, organization, or company that:

(1) is a public utility, a municipal utility, a cooperative electric association, the generation and transmission organization that serves each utility or association, or a transmission company; and

(2) owns or operates electric transmission lines in Minnesota, except a company or organization that owns a transmission line that serves a single customer or interconnects a single generating facility.

(b) The report may be submitted jointly or individually to the commission.

(c) The report must:

(1) list specific present and reasonably foreseeable future inadequacies in the transmission system in Minnesota;

(2) identify alternative means of addressing each inadequacy listed;

(3) identify general economic, environmental, and social issues associated with each alternative; and

(4) provide a summary of public input related to the list of inadequacies and the role of local government officials and other interested persons in assisting to develop the list and analyze alternatives.

(d) To meet the requirements of this subdivision, reporting parties may rely on available information and analysis developed by a regional transmission organization or any subgroup of a regional transmission organization and may develop and include additional information as necessary.

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

Sec. 23. Minnesota Statutes 2010, section 216B.49, subdivision 3, is amended to read:

Subd. 3. **Commission approval required.** It ~~shall be~~ is unlawful for any public utility organized under the laws of this state to offer or sell any security or, if organized under the laws of any other state or foreign country, to subject property in this state to an encumbrance for the purpose of securing the payment of any indebtedness unless

the security issuance of the public utility ~~shall~~ is first be approved by the commission, either as an individual issuance or as one of multiple possible issuances approved in the course of a periodic proceeding reviewing the utility's proposed sources and uses of capital funds. Approval by the commission ~~shall~~ must be by formal written order.

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

Sec. 24. Minnesota Statutes 2010, section 216B.62, subdivision 2, is amended to read:

Subd. 2. **Assessing specific utility.** Whenever the commission or department, in a proceeding upon its own motion, on complaint, or upon an application to it, shall deem it necessary, in order to carry out the duties imposed under this chapter ~~and section 216A.085~~ (1) to investigate the books, accounts, practices, and activities of, or make appraisals of the property of, any public utility, (2) to render any engineering or accounting services to any public utility, or (3) to intervene before an energy regulatory agency, the public utility shall pay the expenses reasonably attributable to the investigation, appraisal, service, or intervention. The commission and department shall ascertain the expenses, and the department shall render a bill therefor to the public utility, either at the conclusion of the investigation, appraisal, or services, or from time to time during its progress, which bill shall constitute notice of the assessment and a demand for payment. The amount of the bills so rendered by the department shall be paid by the public utility into the state treasury within 30 days from the date of rendition. The total amount, in any one calendar year, for which any public utility shall become liable, by reason of costs incurred by the commission within that calendar year, shall not exceed two-fifths of one percent of the gross operating revenue from retail sales of gas, or electric service by the public utility within the state in the last preceding calendar year. Where, pursuant to this subdivision, costs are incurred within any calendar year which are in excess of two-fifths of one percent of the gross operating revenues, the excess costs shall not be chargeable as part of the remainder under subdivision 3, but shall be paid out of the general appropriation to the department and commission. In the case of public utilities offering more than one public utility service only the gross operating revenues from the public utility service in connection with which the investigation is being conducted shall be considered when determining this limitation.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 25. Minnesota Statutes 2010, section 216B.62, subdivision 3, is amended to read:

Subd. 3. **Assessing all public utilities.** The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures in the performance of their duties relating to public utilities under sections ~~216A.085 and~~ 216B.01 to 216B.67, other than amounts chargeable to public utilities under subdivision 2, 6, 7, or 8. The remainder shall be assessed by the commission and department to the several public utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year. The assessment shall be paid into the state treasury within 30 days after the bill has been transmitted via mail, personal delivery, or electronic service to the several public utilities, which shall constitute notice of the assessment and demand of payment thereof. The total amount which may be assessed to the public utilities, under authority of this subdivision, shall not exceed one-sixth of one percent of the total gross operating revenues of the public utilities during the calendar year from retail sales of gas or electric service within the state. The assessment for the third quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 26. Minnesota Statutes 2010, section 216B.62, is amended by adding a subdivision to read:

Subd. 3b. **Assessment for department regional and national duties.** In addition to other assessments in subdivision 3, the department may assess up to \$1,000,000 per fiscal year for performing its duties under section 216A.07, subdivision 3a. The amount in this subdivision shall be assessed to energy utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last

calendar year and shall be deposited into an account in the special revenue fund and is appropriated to the commissioner of commerce for the purposes of section 216A.07, subdivision 3a. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law. For the purpose of this subdivision, an "energy utility" means public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state. This subdivision expires June 30, 2015.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 27. Minnesota Statutes 2010, section 216C.11, is amended to read:

216C.11 ENERGY CONSERVATION INFORMATION CENTER.

The commissioner shall establish an Energy Information Center in the department's offices in St. Paul. The information center shall maintain a toll-free telephone information service and disseminate printed materials on energy conservation topics, including but not limited to, availability of loans and other public and private financing methods for energy conservation physical improvements, the techniques and materials used to conserve energy in buildings, including retrofitting or upgrading insulation and installing weatherstripping, the projected prices and availability of different sources of energy, and alternative sources of energy.

The Energy Information Center shall serve as the official Minnesota Alcohol Fuels Information Center and shall disseminate information, printed, by the toll-free telephone information service, or otherwise on the applicability and technology of alcohol fuels.

The information center shall include information on the potential hazards of energy conservation techniques and improvements in the printed materials disseminated. The commissioner shall not be liable for damages arising from the installation or operation of equipment or materials recommended by the information center.

The information center shall use the information collected under section 216C.02, subdivision 1, to maintain a central source of information on conservation and other energy-related programs, including both programs required by law or rule and programs developed and carried on voluntarily. ~~In particular, the information center shall compile and maintain information on policies covering disconnections or denials of fuel during cold weather adopted by public utilities and other fuel suppliers not governed by section 216B.096 or 216B.097, including the number of households disconnected or denied fuel and the duration of the disconnections or denials.~~

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

Sec. 28. Minnesota Statutes 2010, section 216C.264, is amended to read:

216C.264 COORDINATING RESIDENTIAL WEATHERIZATION PROGRAMS.

Subdivision 1. **Agency designation.** The department is the state agency to apply for, receive, and disburse money made available to the state by federal law for the purpose of weatherizing the residences of low-income persons. The commissioner must coordinate available federal money with state money appropriated for this purpose.

Subd. 2. **Grants.** The commissioner must make grants of federal and state money to community action agencies and other public or private nonprofit agencies for the purpose of weatherizing the residences of low-income persons. ~~Grant applications must be submitted in accordance with rules promulgated by the commissioner.~~

Subd. 3. **Benefits of weatherization.** In the case of any grant made to an owner of a rental dwelling unit for weatherization, the commissioner must require that (1) the benefits of weatherization assistance in connection with the dwelling unit accrue primarily to the low-income family that resides in the unit; (2) the rents on the dwelling unit will not be raised because of any increase in value due solely to the weatherization assistance; and (3) no undue or excessive enhancement will occur to the value of the dwelling unit.

~~Subd. 4. **Rules.** The commissioner must promulgate rules that describe procedures for the administration of grants, data to be reported by grant recipients, and compliance with relevant federal regulations. The commissioner must require that a rental unit weatherized under this section be rented to a household meeting the income limits of the program for 24 of the 36 months after weatherization is complete. In applying this restriction to multiunit buildings weatherized under this section, the commissioner must require that occupancy continue to reflect the proportion of eligible households in the building at the time of weatherization.~~

Subd. 5. **Grant allocation.** The commissioner must distribute supplementary state grants in a manner consistent with the goal of producing the maximum number of weatherized units. Supplementary state grants are provided primarily for the payment of additional labor costs for the federal weatherization program, and as an incentive for the increased production of weatherized units.

Criteria for the allocation of state grants to local agencies include existing local agency production levels, emergency needs, and the potential for maintaining or increasing acceptable levels of production in the area.

An eligible local agency may receive advance funding for 90 days' production, but thereafter must receive grants solely on the basis of program criteria.

Subd. 6. **Eligibility criteria.** To the extent allowed by federal regulations, the commissioner must ensure that the same income eligibility criteria apply to both the weatherization program and the energy assistance program.

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

Sec. 29. Minnesota Statutes 2010, section 216E.18, subdivision 3, is amended to read:

Subd. 3. **Funding; assessment.** The commission shall finance its baseline studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site and route permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the commission against all utilities with annual retail kilowatt-hour sales greater than 4,000,000 kilowatt-hours in the previous calendar year.

Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.333, as determined by the commission. The assessment shall be credited to the special revenue fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the commission for carrying out the purposes of this subdivision. The assessment for the ~~second~~ third quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the commission for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

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

Sec. 30. Minnesota Statutes 2010, section 216H.03, subdivision 7, is amended to read:

Subd. 7. **Other exemptions.** The prohibitions in subdivision 3 do not apply to:

(1) a new large energy facility under consideration by the Public Utilities Commission pursuant to proposals or applications filed with the Public Utilities Commission before April 1, 2007, or to any power purchase agreement related to a facility described in this clause. The exclusion of pending proposals and applications from the prohibitions in subdivision 3 does not limit the applicability of any other law and is not an expression of legislative intent regarding whether any pending proposal or application should be approved or denied;

(2) a contract not subject to commission approval that was entered into prior to April 1, 2007, to purchase power from a new large energy facility that was approved by a comparable authority in another state prior to that date, for which municipal or public power district bonds have been issued, and on which construction has begun; ~~or~~

(3) a new large energy facility or a power purchase agreement between a Minnesota utility and a new large energy facility located outside Minnesota that the Public Utilities Commission has determined is essential to ensure the long-term reliability of Minnesota's electric system, to allow electric service for increased industrial demand, or to avoid placing a substantial financial burden on Minnesota ratepayers. An order of the commission granting an exemption under this clause is stayed until the June 1 following the next regular or annual session of the legislature that begins after the date of the commission's final order; or

(4) a new large energy facility with a combined electric generating capacity of less than 100 megawatts, which did not require a Minnesota certificate of need, which received an air pollution control permit to construct from an adjoining state before January 1, 2008, and on which construction began before July 1, 2008, or to any power purchase agreement related to a facility described in this clause.

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

Sec. 31. **CONSERVATION IMPROVEMENT PROGRAM EXEMPTION; TEMPORARY COMMISSIONER AUTHORITY.**

The commissioner of commerce may, if the commissioner determines it is in the public interest, grant an initial exemption to a gas customer petitioning for an exemption under Minnesota Statutes, section 216B.241, subdivision 1a, paragraph (b) or (c), effective sooner than otherwise provided under Minnesota Statutes, section 216B.241, subdivision 1a. This section applies only to customers of a gas utility that on May 1, 2011, was subject to a Public Utilities Commission order temporarily exempting certain of its customers from the imposition of conservation improvement program charges associated with obligations imposed on the utility under Minnesota Statutes, section 216B.241. This section expires December 31, 2011.

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

Sec. 32. **TEMPORARY PROHIBITION ON PUBLIC UTILITIES COMMISSION APPROVAL OF CERTAIN RENEWABLE DEVELOPMENT ACCOUNT EXPENDITURES.**

(a) Notwithstanding Minnesota Statutes, section 116C.779, the Public Utilities Commission may not approve expenditures from the renewable development account for which commission approval is required by Minnesota Statutes, section 116C.779, subdivision 1, during the period between the effective date of this section and July 1, 2012.

(b) This section does not prohibit commission approval for rate recovery rider filings for expenditures from the renewable development account.

(c) This section does not prohibit expenditures for projects approved by the commission before the effective date of this section.

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

Sec. 33. **MELROSE PUBLIC UTILITIES COMMISSION MEMBERSHIP.**

Notwithstanding Minnesota Statutes, section 412.341, subdivision 1, the city of Melrose may by ordinance increase the membership of the city's public utilities commission to a maximum of seven members. The ordinance may also provide for the terms of the commission members and the terms must be staggered, provide that residency within the city is not a qualification for serving on the commission, and permit one or more members of the city council to serve on the commission.

EFFECTIVE DATE; LOCAL APPROVAL. This section is effective the day after the governing body of the city of Melrose and its chief clerical officer complete in timely fashion their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 34. **REPEALER.**

(a) Minnesota Statutes 2010, sections 216A.085; 216B.242; 216C.052, subdivisions 1, 2, and 4; and 216F.09, are repealed.

(b) The repeal of section 216B.242 does not affect an inverted rate pilot program ordered by the Public Utilities Commission under that section before May 1, 2011."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Falk moved to amend S. F. No. 1197, the second engrossment, as amended, as follows:

Page 10, delete section 16

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

CALL OF THE HOUSE

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

Anderson, B.	Clark	Falk	Hilty	Leidiger	McNamara
Anderson, D.	Cornish	Franson	Holberg	LeMieur	Melin
Anderson, P.	Crawford	Fritz	Hoppe	Lenczewski	Moran
Anderson, S.	Daudt	Garofalo	Hornstein	Lesch	Morrow
Anzelc	Dauids	Gauthier	Hortman	Lillie	Murdock
Atkins	Davnie	Gottwalt	Hosch	Loeffler	Murphy, E.
Banaian	Dean	Greene	Huntley	Lohmer	Murray
Barrett	Dettmer	Greiling	Johnson	Loon	Myhra
Beard	Dill	Gruenhagen	Kelly	Mack	Nelson
Benson, J.	Dittrich	Hackbarth	Kiel	Mahoney	Nornes
Benson, M.	Doepke	Hamilton	Knuth	Marquart	Norton
Bills	Downey	Hancock	Koenen	Mazorol	O'Driscoll
Brynaert	Drazkowski	Hansen	Kriesel	McDonald	Paymar
Buesgens	Eken	Hausman	Laine	McElfrick	Pelowski
Carlson	Fabian	Hayden	Lanning	McFarlane	Peppin

Persell	Rukavina	Scott	Smith	Torkelson	Wardlow
Petersen, B.	Runbeck	Shimanski	Stensrud	Urdahl	Westrom
Peterson, S.	Sanders	Simon	Swedzinski	Vogel	Winkler
Poppe	Scalze	Slawik	Thissen	Wagenius	Woodard
Quam	Schomacker	Slocum	Tillberry	Ward	Spk. Zellers

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

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

Dean moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abeler	Falk	Hilty	Lenczewski	Mullery	Scalze
Anzelc	Fritz	Hornstein	Lesch	Murphy, E.	Simon
Atkins	Gauthier	Hortman	Liebling	Murphy, M.	Slawik
Benson, J.	Greene	Hosch	Lillie	Nelson	Slocum
Brynaert	Greiling	Huntley	Loeffler	Norton	Thissen
Carlson	Hansen	Johnson	Mariani	Paymar	Tillberry
Clark	Hausman	Kahn	Marquart	Persell	Wagenius
Davnie	Hayden	Knuth	Moran	Peterson, S.	Ward
Dittrich	Hilstrom	Laine	Morrow	Poppe	Winkler

Those who voted in the negative were:

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

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

CALL OF THE HOUSE LIFTED

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

Falk moved to amend S. F. No. 1197, the second engrossment, as amended, as follows:

Page 7, after line 35, insert:

"(f) In setting a target rate of return for a public utility proposing a multiyear rate plan, the commission must consider the extent to which the multiyear plan lowers the public utility's overall financial risk, and adjust the target rate of return accordingly."

A roll call was requested and properly seconded.

The question was taken on the Falk amendment and the roll was called. There were 57 yeas and 74 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Falk moved to amend S. F. No. 1197, the second engrossment, as amended, as follows:

Page 26, line 5, before "216B.242" insert "216B.1693; 216B.1694;"

Page 26, line 6, delete "and 216F.09." and insert "216F.09; and 272.02, subdivision 55"

Amend the title accordingly

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

S. F. No. 1197, A bill for an act relating to energy; modifying provisions related to utility report filings, weatherization programs, and public utility commission assessments; removing obsolete and redundant language; providing for nuclear power plant decommissioning and storage of used nuclear fuel; providing for certain reporting requirements; defining certain terms; requiring utility rates be based primarily on cost of service between and among consumer classes; exempting certain gas customers from the conservation improvement program; making clarifying and technical changes; authorizing the Public Utilities Commission to approve a multiyear rate plan for certain utilities; providing for cost recovery for certain pollution control products; requiring certain rate impact information

related to compliance with renewable energy standard; modifying conservation improvement program; modifying provision relating to transmission projects reports; regulating charitable contributions and securities issuance by utilities; relieving Energy Conservation Information Center from certain data-gathering responsibilities; amending Minnesota Statutes 2010, sections 16E.15, subdivision 2; 216B.02, by adding a subdivision; 216B.026, subdivision 1; 216B.03; 216B.07; 216B.16, subdivisions 6b, 7, 9, 15, by adding subdivisions; 216B.1636, subdivision 1; 216B.1691, subdivision 1, by adding a subdivision; 216B.2401; 216B.241, subdivisions 1, 1a, 1c, 2; 216B.2425, subdivision 2; 216B.49, subdivision 3; 216C.11; 216C.264; 216E.18, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 2010, section 216B.242.

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

The question was taken on the passage of the bill and the roll was called. There were 82 yeas and 49 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, J.	Greene	Hortman	Lillie	Norton	Tillberry
Brynaert	Greiling	Hosch	Loeffler	Paymar	Wagenius
Carlson	Hansen	Huntley	Mariani	Persell	Ward
Clark	Hausman	Johnson	Moran	Peterson, S.	Winkler
Davnie	Hayden	Kahn	Morrow	Scalze	
Dittrich	Hilstrom	Knuth	Mullery	Simon	
Falk	Hilty	Lenczewski	Murphy, E.	Slawik	
Fritz	Hoppe	Lesch	Murphy, M.	Slocum	
Gauthier	Hornstein	Liebling	Nelson	Thissen	

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

The Speaker called Lanning to the Chair.

S. F. No. 612, A bill for an act relating to health; establishing policies for youth athletes with concussions resulting from participation in youth athletic activities; amending Minnesota Statutes 2010, sections 124D.10, subdivision 8; 128C.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 121A.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens	Hackbarth	Lesch	Peppin
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The bill was passed and its title agreed to.

S. F. No. 881, A bill for an act relating to public safety; expanding e-charging to include citations, juvenile adjudication, and implied consent test refusal or failure; amending Minnesota Statutes 2010, section 299C.41, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abeler	Benson, J.	Daudt	Drazkowski	Gottwalt	Hausman
Anderson, D.	Benson, M.	Davids	Eken	Greene	Hayden
Anderson, P.	Bills	Davnie	Erickson	Greiling	Hilstrom
Anderson, S.	Brynaert	Dean	Fabian	Gruenhagen	Hilty
Anzelc	Buesgens	Dettmer	Falk	Gunther	Holberg
Atkins	Carlson	Dill	Franson	Hackbarth	Hoppe
Banaian	Clark	Dittrich	Fritz	Hamilton	Hornstein
Barrett	Cornish	Doepke	Garofalo	Hancock	Hortman
Beard	Crawford	Downey	Gauthier	Hansen	Hosch

Howes	LeMieur	McDonald	Nelson	Sanders	Torkelson
Huntley	Lenczewski	McElfatrick	Nornes	Scalze	Urdahl
Johnson	Lesch	McFarlane	Norton	Schomacker	Vogel
Kahn	Liebling	McNamara	O'Driscoll	Scott	Wagenius
Kelly	Lillie	Melin	Paymar	Shimanski	Ward
Kiel	Loeffler	Moran	Pelowski	Simon	Wardlow
Kiffmeyer	Lohmer	Morrow	Peppin	Slawik	Westrom
Knuth	Loon	Mullery	Persell	Slocum	Winkler
Koenen	Mack	Murdock	Petersen, B.	Smith	Woodard
Kriesel	Mahoney	Murphy, E.	Poppe	Stensrud	Spk. Zellers
Laine	Mariani	Murphy, M.	Quam	Swedzinski	
Lanning	Marquart	Murray	Rukavina	Thissen	
Leidiger	Mazorol	Myhra	Runbeck	Tillberry	

Those who voted in the negative were:

Anderson, B.

The bill was passed and its title agreed to.

S. F. No. 477 was reported to the House.

Hansen moved to amend S. F. No. 477, the second engrossment, as follows:

Page 2, line 7, delete "sportsman" and insert "outdoor"

Page 2, line 10, delete "sportsman" and insert "outdoor"

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

Howes moved to amend S. F. No. 477, the second engrossment, as follows:

Page 1, line 18, after "worship" insert ". community center"

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

S. F. No. 477, A bill for an act relating to health; modifying provisions for food, beverage, and lodging establishments; amending Minnesota Statutes 2010, sections 157.15, subdivision 12b; 157.22.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, P.	Atkins	Beard	Bills	Carlson
Anderson, B.	Anderson, S.	Banaian	Benson, J.	Brynaert	Clark
Anderson, D.	Anzelc	Barrett	Benson, M.	Buesgens	Cornish

Crawford	Greene	Kahn	Mahoney	Norton	Smith
Daudt	Greiling	Kelly	Mariani	O'Driscoll	Stensrud
Davids	Gruenhagen	Kiel	Marquart	Pelowski	Swedzinski
Davnie	Gunther	Kiffmeyer	Mazorol	Peppin	Thissen
Dean	Hackbarth	Knuth	McDonald	Persell	Tillberry
Dill	Hamilton	Koenen	McElfatrick	Petersen, B.	Torkelson
Dittrich	Hancock	Kriesel	McFarlane	Peterson, S.	Urdahl
Doepke	Hansen	Laine	McNamara	Poppe	Vogel
Downey	Hausman	Lanning	Melin	Quam	Wagenius
Drazkowski	Hayden	Leidiger	Moran	Rukavina	Ward
Eken	Hilstrom	LeMieur	Morrow	Runbeck	Wardlow
Erickson	Hilty	Lenczewski	Mullery	Sanders	Westrom
Fabian	Holberg	Lesch	Murdock	Scalze	Winkler
Falk	Hoppe	Liebling	Murphy, E.	Schomacker	Woodard
Franson	Hornstein	Lillie	Murphy, M.	Scott	Spk. Zellers
Fritz	Hortman	Loeffler	Murray	Shimanski	
Garofalo	Hosch	Lohmer	Myhra	Simon	
Gauthier	Huntley	Loon	Nelson	Slawik	
Gottwalt	Johnson	Mack	Nornes	Slocum	

Those who voted in the negative were:

Howes Paymar

The bill was passed and its title agreed to.

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

S. F. No. 799, A bill for an act relating to higher education; providing for the use of student data; proposing coding for new law in Minnesota Statutes, chapter 136A.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Buesgens	Drazkowski	Hackbarth	Huntley	Lesch
Anderson, B.	Carlson	Eken	Hamilton	Johnson	Liebling
Anderson, D.	Clark	Erickson	Hancock	Kahn	Lillie
Anderson, P.	Cornish	Fabian	Hansen	Kelly	Loeffler
Anderson, S.	Crawford	Falk	Hausman	Kiel	Lohmer
Anzelc	Daudt	Franson	Hayden	Kiffmeyer	Loon
Atkins	Davids	Fritz	Hilstrom	Knuth	Mack
Banaian	Davnie	Garofalo	Hilty	Koenen	Mahoney
Barrett	Dean	Gauthier	Holberg	Kriesel	Mariani
Beard	Dettmer	Gottwalt	Hoppe	Laine	Marquart
Benson, J.	Dill	Greene	Hornstein	Lanning	Mazorol
Benson, M.	Dittrich	Greiling	Hortman	Leidiger	McDonald
Bills	Doepke	Gruenhagen	Hosch	LeMieur	McElfatrick
Brynaert	Downey	Gunther	Howes	Lenczewski	McNamara

Melin	Myhra	Persell	Scalze	Stensrud	Ward
Moran	Nelson	Petersen, B.	Schomacker	Swedzinski	Wardlow
Morrow	Nornes	Peterson, S.	Scott	Thissen	Westrom
Mullery	Norton	Poppe	Shimanski	Tillberry	Winkler
Murdock	O'Driscoll	Quam	Simon	Torkelson	Woodard
Murphy, E.	Paymar	Rukavina	Slawik	Urdahl	Spk. Zellers
Murphy, M.	Pelowski	Runbeck	Slocum	Vogel	
Murray	Peppin	Sanders	Smith	Wagenius	

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Davids from the Committee on Taxes to which was referred:

H. F. No. 1485, A bill for an act relating to gambling; modifying certain rates of tax on lawful gambling; providing for linked bingo and electronic pull-tabs; making clarifying, conforming, and technical changes; appropriating money; amending Minnesota Statutes 2010, sections 297E.02, subdivisions 1, 4, 6; 349.12, subdivisions 5, 12a, 25b, 25c, 25d, 29, 32, 32a; 349.13; 349.151, subdivisions 4b, 4c; 349.155, subdivisions 3, 4; 349.161, subdivision 1; 349.163, subdivisions 1, 6; 349.1635, subdivision 2, by adding a subdivision; 349.165, subdivision 2; 349.17, subdivisions 6, 7, 8; 349.1721, by adding subdivisions; 349.18, subdivision 1; 349.211, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 349.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 297E.02, is amended to read:

297E.02 TAX IMPOSED.

Subdivision 1. **Imposition.** (a) A tax is imposed on all lawful gambling other than (1) paper pull-tab deals or games; (2) tipboard deals or games; and (3) items listed in section 297E.01, subdivision 8, clauses (4) and (5), at the rate of 8.5 percent on the gross receipts as defined in section 297E.01, subdivision 8, less prizes actually paid. This paragraph expires effective for gross receipts received after June 30, 2012.

(b) Effective July 1, 2012, a tax is imposed on all lawful gambling at the rate of nine percent of the gross receipts as defined in section 297E.01, subdivision 8, less prizes actually paid.

(c) The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.62 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 8, or a tax authorized under subdivision 5.

(d) The tax imposed under this subdivision is payable by the organization or party conducting, directly or indirectly, the gambling.

(e) Effective July 1, 2012, for any pull-tab and tipboard game sold to the distributor by a manufacturer, which the distributor cannot account for, the distributor incurs the tax in this subdivision on the ideal gross receipts as defined in section 297E.01, subdivision 8, less the ideal prizes of the pull-tab or tipboard game.

Subd. 1a. **Paper pull-tab.** For purposes of this section, the term "paper pull-tab" excludes pull-tabs played using a pull-tab (electronic) dispensing device that displays a facsimile of a paper pull-tab.

Subd. 2. **Tax-exempt gambling.** An organization's receipts from lawful gambling that are excluded or exempt from licensing under section 349.166, are not subject to the tax imposed by this section or section 297A.62. This exclusion from tax is only valid if at the time of the event giving rise to the tax the organization either has an exclusion under section 349.166, subdivision 1, or has applied for and received a valid exemption from the lawful gambling control board.

Subd. 2a. **Tax credit for certain raffles.** An organization may claim a credit equal to the tax reported under subdivision 1 resulting from a raffle the net proceeds of which have been used exclusively for the purposes of section 349.12, subdivision 25, paragraph (a), clause (2). The organization claiming the credit must do so on the monthly gambling tax return on which the raffle activity is reported under subdivision 1.

Subd. 3. **Collection; disposition.** ~~(a) Taxes imposed by this section other than in subdivision 4 are due and payable to the commissioner when the gambling tax return is required to be filed.~~

(b) Taxes imposed by subdivision 4 are due and payable to the commissioner on or before the last business day of the month following the month in which the taxable sale was made. This paragraph expires after June 30, 2012.

(c) Returns covering the taxes imposed under this section must be filed with the commissioner on or before the 20th day of the month following the close of the previous calendar month. The commissioner may require that the returns be filed via magnetic media or electronic data transfer. The proceeds, along with the revenue received from all ~~license fees and other~~ fees under sections 349.11 to 349.191, 349.211, and 349.213, must be paid to the commissioner of management and budget for deposit in the general fund.

(d) One-half of one percent of the revenue deposited in the general fund under paragraph (c) is appropriated to the commissioner of human services for the compulsive gambling treatment program established under section 245.98. One-half of one percent of the revenue deposited in the general fund under paragraph (c) is appropriated to the Gambling Control Board for a grant to the state affiliate recognized by the National Council on Problem Gambling to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research relating to problem gambling. Money appropriated by this paragraph must supplement and must not replace existing state funding for these programs.

Subd. 4. **Pull-tab and tipboard tax.** (a) A tax is imposed on the sale of each deal of paper pull-tabs and tipboards sold by a distributor. The rate of the tax is 1.7 percent of the ideal gross of the paper pull-tab or tipboard deal. This paragraph expires after June 30, 2012.

(b) The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the distributor is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 8.

~~(b)~~ (c) The liability for the tax imposed by this ~~section~~ subdivision is incurred when the pull-tabs and tipboards are delivered by the distributor to the customer or to a common or contract carrier for delivery to the customer, or when received by the customer's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale. This paragraph applies to sales by distributors made before July 1, 2012.

(d) The tax imposed by this ~~subdivision~~ section is imposed on all sales of pull-tabs and tipboards, except the following:

- (1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;
- (2) sales to distributors licensed under the laws of another state or of a province of Canada, as long as all statutory and regulatory requirements are met in the other state or province;
- (3) sales of promotional tickets as defined in section 349.12; and
- (4) pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section 349.166, subdivision 2. A distributor shall require an organization conducting exempt gambling to show proof of its exempt status before making a tax-exempt sale of pull-tabs or tipboards to the organization. A distributor shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and tipboards that are exempt from tax under this subdivision.

~~(e)~~ (e) A distributor having a liability of \$10,000 or more during a fiscal year ending June 30 must remit all liabilities in the subsequent calendar year by electronic means.

~~(f)~~ (f) Any customer who purchases deals of pull-tabs or tipboards from a distributor may file an annual claim for a refund or credit of taxes paid pursuant to this subdivision for unsold pull-tab and tipboard tickets. The claim must be filed with the commissioner on a form prescribed by the commissioner by March 20 of the year following the calendar year for which the refund is claimed. The refund must be filed as part of the customer's February monthly return. The refund or credit is equal to 1.7 percent of the face value of the unsold pull-tab or tipboard tickets, ~~provided that the refund or credit will be 1.75 percent of the face value of the unsold pull-tab or tipboard tickets for claims for a refund or credit of taxes filed on the February 2001 monthly return.~~ The refund claimed will be applied as a credit against tax owing under this chapter on the February monthly return. If the refund claimed exceeds the tax owing on the February monthly return, that amount will be refunded. The amount refunded will bear interest pursuant to section 270C.405 from 90 days after the claim is filed. This paragraph does not apply to games purchased after June 30, 2012.

Subd. 6. **Combined receipts tax.** In addition to the taxes imposed under subdivisions 1 and 4, a tax is imposed on the combined receipts of the organization. As used in this section, "combined receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of bingo, raffles, and paddle wheels, as defined in section 297E.01, subdivision 8, for the fiscal year. The gross receipts of pull-tabs played using a pull-tab (electronic) dispensing device that displays a facsimile of a paper pull-tab are not subject to the combined receipts tax. The combined receipts of an organization are subject to a tax computed according to the following schedule:

If the combined receipts for the fiscal year are:	The tax is:
Not over \$500,000	zero
Over \$500,000, but not over \$700,000	1.7 percent of the amount over \$500,000, but not over \$700,000
Over \$700,000, but not over \$900,000	\$3,400 plus 3.4 percent of the amount over \$700,000, but not over \$900,000
Over \$900,000	\$10,200 plus 5.1 percent of the amount over \$900,000

This subdivision expires after June 30, 2012.

Subd. 7. **Untaxed gambling product.** (a) In addition to penalties or criminal sanctions imposed by this chapter, a person, organization, or business entity possessing or selling a pull-tab or tipboard upon which the tax imposed by ~~subdivision 4~~ this chapter has not been paid is liable for a tax of six percent of the ideal gross of each pull-tab or tipboard. The tax on a partial deal must be assessed as if it were a full deal.

(b) In addition to penalties and criminal sanctions imposed by this chapter, a person not licensed by the board who conducts bingo, raffles, or paddle wheel games is liable for a tax of six percent of the gross receipts from that activity.

(c) The tax must be assessed by the commissioner. An assessment must be considered a jeopardy assessment or jeopardy collection as provided in section 270C.36. The commissioner shall assess the tax based on personal knowledge or information available to the commissioner. The commissioner shall mail to the taxpayer at the taxpayer's last known address, or serve in person, a written notice of the amount of tax, demand its immediate payment, and, if payment is not immediately made, collect the tax by any method described in chapter 270C, except that the commissioner need not await the expiration of the times specified in chapter 270C. The tax assessed by the commissioner is presumed to be valid and correctly determined and assessed. The burden is upon the taxpayer to show its incorrectness or invalidity. The tax imposed under this subdivision does not apply to gambling that is exempt from taxation under subdivision 2.

Subd. 8. **Personal debt.** The tax imposed by this section, and interest and penalties imposed with respect to it, are a personal debt of the person required to file a return from the time the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt must, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, be that of the person in the person's official or fiduciary capacity only unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

Subd. 9. **Public information.** All records concerning the administration of the taxes under this chapter are classified as public information.

Subd. 10. **Refunds; appropriation.** A person who has, under this chapter, paid to the commissioner an amount of tax for a period in excess of the amount legally due for that period, may file with the commissioner a claim for a refund of the excess. The amount necessary to pay the refunds under this ~~subdivision and subdivision 4, paragraph~~ ~~(d)~~ section, is appropriated from the general fund to the commissioner.

Subd. 11. **Unplayed or defective pull-tabs or tipboards.** ~~(a)~~ If a deal of pull-tabs or tipboards registered with the board or bar coded in accordance with this chapter and chapter 349 and upon which the tax imposed by subdivision 4 has been paid is returned unplayed to the distributor, the commissioner shall allow a refund of the tax paid. This paragraph expires after June 30, 2012.

~~(b)~~ If a defective deal registered with the board or bar coded in accordance with this chapter and chapter 349 and upon which the taxes have been paid is returned to the manufacturer, the distributor shall submit to the commissioner of revenue certification from the manufacturer that the deal was returned and in what respect it was defective. The certification must be on a form prescribed by the commissioner and must contain additional information the commissioner requires.

~~(c)~~ The commissioner may require that no refund under this subdivision be made unless the returned pull-tabs or tipboards have been set aside for inspection by the commissioner's employee.

~~(d)~~ Reductions in previously paid taxes authorized by this subdivision must be made when and in the manner prescribed by the commissioner.

Sec. 2. Minnesota Statutes 2010, section 349.12, subdivision 5, is amended to read:

Subd. 5. **Bingo occasion.** "Bingo occasion" means a single gathering or session at which a series of one or more successive bingo games is played. There is no limit on the number of games conducted during a bingo occasion ~~but~~. A bingo occasion must not last longer than eight consecutive hours, except that linked bingo games played on electronic bingo devices may be played during regular business hours of the permitted premises and all play during this period is considered a bingo occasion for reporting purposes. For premises where the primary business is bingo, regular business hours shall be defined as the hours between 8:00 a.m. and 2:00 a.m.

Sec. 3. Minnesota Statutes 2010, section 349.12, subdivision 12a, is amended to read:

Subd. 12a. **Electronic bingo device.** "Electronic bingo device" means an electronic bingo device used by a bingo player to (1) monitor bingo paper sheets or a facsimile of a bingo paper sheet when purchased at the time and place of an organization's bingo occasion and which ~~(1) provides a means for bingo players to, (2) activate numbers announced by a bingo caller; (2) compares or displayed and compare the numbers entered by the player to the bingo faces previously stored in the memory of the device; and (3) identifies~~ identify a winning bingo pattern or game requirement.

Electronic bingo device does not mean any device into which coin, currency, or tokens are inserted to activate play. An electronic bingo device that plays linked bingo games may only be a device that is handheld and portable. Linked bingo games played on an electronic bingo device may only be activated by coded data entry. An electronic bingo device may only be used by a bingo player for play against other electronic bingo players and may not be used by a bingo player for play against the electronic bingo device itself.

Sec. 4. Minnesota Statutes 2010, section 349.12, subdivision 25b, is amended to read:

Subd. 25b. **Linked bingo game provider.** "Linked bingo game provider" means any person who provides the means to link bingo ~~prizes in a linked bingo game, who provides linked bingo paper sheets to the participating organizations~~ games, who provides linked bingo prize management, and who provides the linked bingo game system.

Sec. 5. Minnesota Statutes 2010, section 349.12, subdivision 25c, is amended to read:

Subd. 25c. **Linked bingo game system.** "Linked bingo game system" means the equipment used by the linked bingo provider to conduct, transmit, and track a linked bingo game. The system must be approved by the board before its use in this state and it must have ~~dial-up or other~~ the capability to permit the board to electronically monitor its operation remotely.

Sec. 6. Minnesota Statutes 2010, section 349.12, subdivision 25d, is amended to read:

Subd. 25d. **Linked bingo prize pool.** "Linked bingo prize pool" means the total of all prize money that each participating organization has contributed to a linked bingo game prize and includes any portion of the prize pool that is carried over from one ~~occasion~~ game to another in a progressive linked bingo game.

Sec. 7. Minnesota Statutes 2010, section 349.12, subdivision 29, is amended to read:

Subd. 29. **Paddle wheel.** "Paddle wheel" means a wheel marked off into sections containing one or more numbers, and which, after being turned or spun manually or electronically, uses a pointer or marker to indicate winning chances. An electronic paddle wheel would only be allowed to be used to determine a winning number that would match a paper paddle ticket held by a player.

Sec. 8. Minnesota Statutes 2010, section 349.12, subdivision 32, is amended to read:

Subd. 32. **Pull-tab.** "Pull-tab" means a single folded or banded paper ticket or a multi-ply card with perforated break-open tabs, or a facsimile of a paper pull-tab when used in conjunction with a pull-tab dispensing device, the face of which is initially covered to conceal one or more numbers or symbols, where one or more of each set of tickets, ~~or cards, or facsimiles~~ has been designated in advance as a winner.

Sec. 9. Minnesota Statutes 2010, section 349.12, subdivision 32a, is amended to read:

Subd. 32a. **Pull-tab dispensing device.** "Pull-tab dispensing device" means a mechanical or electronic device that dispenses paper pull-tabs and has no additional function as an amusement or gambling device or displays facsimiles of paper pull-tabs. A pull-tab dispensing device may have as a component an auditory or visual enhancement to promote or provide information about a game being dispensed or displayed, provided the component does not affect the outcome of a game or display the results of a game ~~or an individual ticket.~~ A pull-tab dispensing device that displays facsimiles of paper pull-tabs is not allowed to accept any coin, currency, or tokens, but does allow for activation by coded data entry. A pull-tab dispensing device that displays facsimiles of paper pull-tabs may only be a device that is handheld and portable.

Sec. 10. Minnesota Statutes 2010, section 349.13, is amended to read:

349.13 LAWFUL GAMBLING.

Lawful gambling is not a lottery or gambling within the meaning of sections 609.75 to 609.76 if it is conducted under this chapter. A pull-tab dispensing device permitted by board rule is not a gambling device within the meaning of sections 609.75 to 609.76 and chapter 299L. Electronic game devices including but not limited to electronic bingo devices, electronic paddlewheels, and electronic pull-tab dispensing devices authorized under this chapter may only be used in the conduct of lawful gambling permitted under this chapter and may not display or simulate any other form of gambling or entertainment.

Sec. 11. Minnesota Statutes 2010, section 349.151, subdivision 4b, is amended to read:

Subd. 4b. **Pull-tab sales from dispensing devices.** ~~(a)~~ The board may by rule authorize but not require the use of pull-tab dispensing devices.

~~(b) Rules adopted under paragraph (a):~~

~~(1) must limit the number of pull tab dispensing devices on any permitted premises to three; and~~

~~(2) must limit the use of pull tab dispensing devices to a permitted premises which is (i) a licensed premises for on sales of intoxicating liquor or 3.2 percent malt beverages; or (ii) a premises where bingo is conducted and admission is restricted to persons 18 years or older.~~

~~(c) Notwithstanding rules adopted under paragraph (b), pull tab dispensing devices may be used in establishments licensed for the off sale of intoxicating liquor, other than drugstores and general food stores licensed under section 340A.405, subdivision 1.~~

Sec. 12. Minnesota Statutes 2010, section 349.151, subdivision 4c, is amended to read:

Subd. 4c. **Electronic bingo.** (a) The board may by rule authorize but not require the use of electronic bingo devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of bingo faces that can be played using an electronic bingo device to 36;

(2) must require that an electronic bingo device be used with ~~corresponding bingo paper sheets or a facsimile, printed at the point of sale,~~ of a bingo paper sheet as approved by the board;

(3) must require that the electronic bingo device site system have ~~dia- up~~ the capability to permit the board to remotely monitor the operation of the device and the internal accounting systems; and

(4) must prohibit the price of a face played on an electronic bingo device from being less than the price of a face on a bingo paper sheet sold for the same game at the same occasion.

Sec. 13. Minnesota Statutes 2010, section 349.155, subdivision 3, is amended to read:

Subd. 3. **Mandatory disqualifications.** (a) In the case of licenses for manufacturers, distributors, distributor salespersons, linked bingo game providers, and gambling managers, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, or person in a supervisory or management position of the applicant or licensee:

(1) has ever been convicted of a felony or a crime involving gambling;

(2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(3) is or has ever been connected with or engaged in an illegal business;

(4) owes \$500 or more in delinquent taxes as defined in section 270C.72;

(5) had a sales and use tax permit revoked by the commissioner of revenue within the past two years; or

(6) after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this paragraph are applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) In the case of licenses for organizations, the board may not issue a license under this chapter, and shall revoke a license under this chapter, if the organization, or an officer or member of the governing body of the organization:

(1) has been convicted of a felony or gross misdemeanor involving theft or fraud; or

(2) has ever been convicted of a crime involving gambling; ~~or~~

~~(3) has had a license issued by the board or director permanently revoked for violation of law or board rule.~~

Sec. 14. Minnesota Statutes 2010, section 349.155, subdivision 4, is amended to read:

Subd. 4. **License revocation, suspension, denial; censure.** (a) The board may by order (i) deny, suspend, revoke, or refuse to renew a license or premises permit, or (ii) censure a licensee or applicant, if it finds that the order is in the public interest and that the applicant or licensee, or a director, officer, partner, governor, person in a

supervisory or management position of the applicant or licensee, an employee eligible to make sales on behalf of the applicant or licensee, or direct or indirect holder of more than a five percent financial interest in the applicant or licensee:

(1) has violated or failed to comply with any provision of this chapter or chapter 297E or 299L, or any rule adopted or order issued thereunder;

(2) has filed an application for a license that is incomplete in any material respect, or contains a statement that, in light of the circumstances under which it was made, is false, misleading, fraudulent, or a misrepresentation;

(3) has made a false statement in a document or report required to be submitted to the board or the commissioner of revenue, or has made a false statement to the board, the compliance review group, or the director;

(4) has been convicted of a crime in another jurisdiction that would be a felony if committed in Minnesota;

(5) is permanently or temporarily enjoined by any gambling regulatory agency from engaging in or continuing any conduct or practice involving any aspect of gambling;

(6) has had a gambling-related license revoked or suspended, or has paid or been required to pay a monetary penalty of \$2,500 or more, by a gambling regulator in another state or jurisdiction;

(7) has been the subject of any of the following actions by the director of alcohol and gambling enforcement or commissioner of public safety: (i) had a license under chapter 299L denied, suspended, or revoked, (ii) been censured, reprimanded, has paid or been required to pay a monetary penalty or fine, or (iii) has been the subject of any other discipline by the director or commissioner;

(8) has engaged in conduct that is contrary to the public health, welfare, or safety, or to the integrity of gambling; or

(9) based on past activities or criminal record poses a threat to the public interest or to the effective regulation and control of gambling, or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to the conduct of gambling.

(b) The revocation or suspension of an organization license may not exceed a period of ten years, including any revocation or suspension imposed by the board prior to the effective date of this paragraph, except that:

(1) any prohibition placed by the board on who may be involved in the conduct, oversight, or management of the revoked organization's lawful gambling activity is permanent; and

(2) a revocation or suspension will remain in effect until the payment of any taxes, fees, and fines that are delinquent have been paid by the organization to the satisfaction of the board.

Sec. 15. Minnesota Statutes 2010, section 349.161, subdivision 1, is amended to read:

Subdivision 1. **Prohibited acts; licenses required.** (a) No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state other than for lawful gambling exempt or excluded from licensing, except to an organization licensed for lawful gambling;

(2) sell, offer for sale, or furnish gambling equipment for use within the state without having obtained a distributor license or a distributor salesperson license under this section except that an organization authorized to conduct bingo by the board may loan bingo hard cards and devices for selecting bingo numbers to another organization authorized to conduct bingo;

(3) sell, offer for sale, or furnish gambling equipment for use within the state that is not purchased or obtained from a manufacturer or distributor licensed under this chapter; or

(4) sell, offer for sale, or furnish gambling equipment for use within the state that has the same serial number as another item of gambling equipment of the same type sold or offered for sale or furnished for use in the state by that distributor.

(b) No licensed distributor salesperson may sell, offer for sale, or furnish gambling equipment for use within the state without being employed by a licensed distributor or owning a distributor license.

(c) No distributor or distributor salesperson may also be licensed as a linked bingo game provider under section 349.1635.

Sec. 16. Minnesota Statutes 2010, section 349.163, subdivision 1, is amended to read:

Subdivision 1. **License required.** No manufacturer of gambling equipment may sell any gambling equipment to any person for use or resale within the state, unless the manufacturer has a current and valid license issued by the board under this section and has satisfied other criteria prescribed by the board by rule. A manufacturer licensed under this section may also be licensed as a linked bingo game provider under section 349.1635.

A manufacturer licensed under this section may not also be directly or indirectly licensed as a distributor under section 349.161.

Sec. 17. Minnesota Statutes 2010, section 349.163, subdivision 6, is amended to read:

Subd. 6. **Samples of gambling equipment.** The board shall require each licensed manufacturer to submit to the board one or more samples of each item of gambling equipment the manufacturer manufactures for use or resale in this state. For purposes of this subdivision, a manufacturer is also required to submit the applicable version of any software necessary to operate electronic devices and related systems. The board shall inspect and test all the equipment, including software and software upgrades, it deems necessary to determine the equipment's compliance with law and board rules. Samples required under this subdivision must be approved by the board before the equipment being sampled is shipped into or sold for use or resale in this state. The board shall impose a fee of \$25 for each item of gambling equipment that the manufacturer submits for approval or for which the manufacturer requests approval. The board shall impose a fee of \$100 for each sample of gambling equipment that it tests. The board may require samples of gambling equipment to be tested by an independent testing laboratory prior to submission to the board for approval. All costs of testing by an independent testing laboratory must be borne by the manufacturer. An independent testing laboratory used by a manufacturer to test samples of gambling equipment must be approved by the board before the equipment is submitted to the laboratory for testing. The board may request the assistance of the commissioner of public safety and the director of the State Lottery in performing the tests.

Sec. 18. Minnesota Statutes 2010, section 349.1635, subdivision 2, is amended to read:

Subd. 2. **License application.** The board may issue a license to a linked bingo game provider or to a manufacturer licensed under section 349.163 who meets the qualifications of this chapter and the rules promulgated by the board. The application shall be on a form prescribed by the board. The license is valid for two years and the fee for a linked bingo game provider license is \$5,000 per year.

Sec. 19. Minnesota Statutes 2010, section 349.1635, is amended by adding a subdivision to read:

Subd. 5. Linked bingo game services requirements. A linked bingo game provider shall contract with licensed distributors for linked bingo game services including, but not limited to, the solicitation of agreements with licensed organizations, and installation, repair, or maintenance of the linked bingo game system. No linked bingo game provider may contract with any distributor on an exclusive basis. A linked bingo game provider may refuse to contract with a licensed distributor if the linked bingo game provider demonstrates that the licensed distributor is not capable of performing the services under the contract.

Sec. 20. Minnesota Statutes 2010, section 349.165, subdivision 2, is amended to read:

Subd. 2. Contents of application. An application for a premises permit must contain:

- (1) the name and address of the applying organization;
- (2) a description of the site for which the permit is sought, including its address and, where applicable, its placement within another premises or establishment;
- (3) if the site is leased, the name and address of the lessor and information about the lease the board requires, including all rents and other charges for the use of the site. The lease term is concurrent with the term of the premises permit. The lease must contain a ~~30-day~~ termination clause. No lease is required for the conduct of a raffle; and
- (4) other information the board deems necessary to carry out its purposes.

An organization holding a premises permit must notify the board in writing within ten days whenever any material change is made in the above information.

Sec. 21. Minnesota Statutes 2010, section 349.17, subdivision 6, is amended to read:

Subd. 6. Conduct of bingo. A game of bingo begins with the first letter and number called or displayed. Each player must cover, mark, or activate the numbers when bingo numbers are randomly selected, and announced,~~and or displayed to the players, either manually or with a flashboard and monitor.~~ The game is won when a player, using bingo paper, bingo hard card, or a facsimile of a bingo paper sheet, has completed, as described in the bingo program, a previously designated pattern or previously determined requirements of the game and declared bingo. The game is completed when a winning card, sheet, or facsimile is verified and a prize awarded pursuant to subdivision 3.

Sec. 22. Minnesota Statutes 2010, section 349.17, subdivision 7, is amended to read:

Subd. 7. Bar bingo. An organization may conduct bar bingo subject to the following restrictions:

- (1) the bingo is conducted at a site the organization owns or leases and which has a license for the sale of intoxicating beverages on the premises under chapter 340A;
- (2) the bingo is conducted using only bingo paper sheets or facsimiles of bingo paper sheets purchased from a licensed distributor or licensed linked bingo game provider; and
- (3) no rent may be paid for a bar bingo occasion, except as allowed in section 349.185.

Sec. 23. Minnesota Statutes 2010, section 349.17, subdivision 8, is amended to read:

Subd. 8. **Linked bingo games.** (a) A licensed organization may conduct or participate in ~~not more than two~~ linked bingo games ~~per occasion, one of which may be a~~ including progressive game games in which a portion of the prize is carried over from one ~~occasion~~ game to another until won by a player achieving a bingo within a predetermined amount of bingo numbers called.

(b) ~~Each participating licensed organization shall contribute to each prize awarded in a linked bingo game in an amount not to exceed \$300~~ Linked bingo games may only be conducted by licensed organizations who have a valid agreement with the linked bingo game provider.

(c) An electronic bingo device as defined in section 349.12, subdivision 12a, may be used for a linked bingo game.

(d) Linked bingo games played on an electronic bingo device may be located only at a permitted premises where the organization conducts another form of lawful gambling and the premises is:

(1) a licensed premises for the on-sale or off-sale of intoxicating liquor or 3.2 percent malt beverages, except for a general food store or drug store permitted to sell alcoholic beverages under section 340A.405, subdivision 1; or

(2) where bingo is conducted as the primary business, the premises has a seating capacity of at least 100, and admission is restricted to persons 18 years or older.

(e) For linked bingo games played on an electronic bingo device:

(1) no more than six electronic bingo devices may be in play at a permitted premises with 200 seats or less;

(2) no more than 12 electronic bingo devices may be in play at a permitted premises with 201 seats or more; and

(3) no more than 50 electronic bingo devices may be in play for premises where bingo is the primary business.

Seating capacity is determined as specified under the local fire code.

(f) Prior to a bingo occasion for linked bingo games played on an electronic bingo device, the linked bingo game provider, on behalf of the participating organizations, must provide to the board a bingo program in a format prescribed by the board.

~~(d)~~ (g) The board may adopt rules to:

(1) specify the manner in which a linked bingo game must be played and how the linked bingo prizes must be awarded;

(2) specify the records to be maintained by a linked bingo game provider;

(3) require the submission of periodic reports by the linked bingo game provider and specify the content of the reports;

(4) establish the qualifications required to be licensed as a linked bingo game provider; and

(5) any other matter involving the operation of a linked bingo game.

Sec. 24. Minnesota Statutes 2010, section 349.1721, is amended by adding a subdivision to read:

Subd. 3. **Pull-tab dispensing devices restrictions and requirements.** (a) The number of paper pull-tab dispensing devices located on any permitted premises is limited to three.

(b) The number of pull-tab dispensing devices that use facsimiles of paper pull-tabs is limited to:

(1) no more than six devices in play at any permitted premises with 200 seats or less;

(2) no more than 12 devices in play at any permitted premises with 201 seats or more; and

(3) for premises where the primary business is bingo, the number of devices that may be in play will be determined by the board.

Seating capacity is determined as specified under the local fire code.

(c) The use of any pull-tab dispensing device must be at a permitted premises which is:

(1) a licensed premises for on-sales of intoxicating liquor or 3.2 percent malt beverages; or

(2) a premises where bingo is conducted as the primary business and admission is restricted to persons 18 years or older.

(d) Pull-tab dispensing devices may be used in establishments licensed for the off-sale of intoxicating liquor, other than drugstores and general food stores licensed under section 340A.405, subdivision 1.

(e) An organization may use pull-tab dispensing devices that use facsimiles of paper pull-tabs if the organization conducts another form of lawful gambling at the permitted premises.

(f) Pull-tab dispensing devices that use facsimiles of paper pull-tabs must have the capability to:

(1) allow the board to electronically monitor the operation of the electronic pull-tab devices and the internal accounting systems;

(2) maintain a printable, permanent record of all transactions involving the device; and

(3) allow the board to require the deactivation of a device for violation of a law or rule and to implement any other controls deemed by the board necessary to ensure and maintain the integrity of games operated under this subdivision.

(g) The board shall examine prototypes of pull-tab dispensing devices that use facsimiles of paper pull-tabs. The board may contract for the examination of the devices and may require working models of the devices to be transported to locations the board designates for testing, examination, and analysis. The manufacturer shall pay all costs of any testing, examination, analysis, and transportation of the model.

(h) Pull-tab dispensing devices that use facsimiles of paper pull-tabs shall be limited to operation between the hours of 8:00 a.m. and 2:00 a.m.

Sec. 25. Minnesota Statutes 2010, section 349.1721, is amended by adding a subdivision to read:

Subd. 4. **Electronic facsimile of paper pull-tabs.** (a) Tickets and deals must be in conformance with board rules for pull-tabs.

(b) Deals must contain:

(1) a finite number of tickets in each electronic deal;

(2) a predetermined number of winning and losing tickets;

(3) serialized tracking for each deal;

(4) no regeneration of a serialized deal; and

(5) no spinning symbols which mimic a video slot machine.

(c) All deals in play must not be transferred electronically or otherwise to any other location by the licensed organization.

(d) Deals must not be shared, commingled, or linked with any other deals or locations.

(e) No electronic facsimile of a paper pull-tab may be sold in a denomination of less than 25 cents per ticket.

(f) A player must activate or open each electronic facsimile of a pull-tab ticket and each individual line, row, or column of each electronic facsimile of a pull-tab ticket.

Sec. 26. Minnesota Statutes 2010, section 349.1721, is amended by adding a subdivision to read:

Subd. 5. **Multiple chance games.** The board may permit pull-tab games in which the holders of certain predesignated winning tickets, with a prize value not to exceed \$75 each, have the option of turning in the winning tickets for the chance to win a prize of greater value.

Sec. 27. Minnesota Statutes 2010, section 349.18, subdivision 1, is amended to read:

Subdivision 1. **Lease or ownership required; rent limitations.** (a) An organization may conduct lawful gambling only on premises it owns or leases. Leases must be on a form prescribed by the board. The term of the lease is concurrent with the premises permit. Leases approved by the board must specify that the board may authorize an organization to withhold rent from a lessor for a period of up to 90 days if the board determines that illegal gambling occurred on the premises or that the lessor or its employees participated in the illegal gambling or knew of the gambling and did not take prompt action to stop the gambling. The lease must authorize the continued tenancy of the organization without the payment of rent during the time period determined by the board under this paragraph. Copies of all leases must be made available to employees of the board and the Division of Alcohol and Gambling Enforcement on request.

(b) Rent paid by an organization for leased premises for the conduct of pull-tabs, tipboards, and paddle wheels is subject to the following limits:

(1) for booth operations, including booth operations where a paper pull-tab dispensing device is located, booth operations where a bar operation is also conducted, and booth operations where both a paper pull-tab dispensing device is located and a bar operation is also conducted, the ~~maximum rent is:~~ monthly rent is not more than ten percent of gross profits for that month;

~~(i) in any month where the organization's gross profit at those premises does not exceed \$4,000, up to \$400; and~~

~~(ii) in any month where the organization's gross profit at those premises exceeds \$4,000, up to \$400 plus not more than ten percent of the gross profit for that month in excess of \$4,000;~~

(2) for bar operations, ~~including bar operations where a pull-tab dispensing device is located but not including bar operations subject to clause (1), and for locations where only a pull-tab dispensing device is located~~ the monthly rent is subject to the following:

~~(i) in any month where the organization's gross profit at those premises does not exceed \$1,000, up to \$200; and~~

~~(ii) in any month where the organization's gross profit at those premises exceeds \$1,000, up to \$200 plus not more than 20 percent of the gross profit for that month in excess of \$1,000;~~

(i) not more than 20 percent of the monthly gross profits from the sale of paper pull-tabs or tipboards; and

(ii) not more than 17 percent of the monthly gross profits from sales of electronic linked bingo games and electronic facsimiles of paper pull-tabs;

(3) a lease not governed by clauses (1) and (2) must be approved by the board before becoming effective;

(4) total rent paid to a lessor from all organizations from leases governed by clause (1) may not exceed \$1,750 per month.

(c) Rent paid by an organization for leased premises for the conduct of bingo is subject to either of the following limits at the option of the parties to the lease:

(1) not more than ten percent of the monthly gross profit from all lawful gambling activities held during bingo occasions excluding bar bingo or at a rate based on a cost per square foot not to exceed 110 percent of a comparable cost per square foot for leased space as approved by the director; and

(2) no rent may be paid for bar bingo except as allowed in section 349.185.

(d) Amounts paid as rent under leases are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including, but not limited to, trash removal, janitorial and cleaning services, snow removal, lawn services, electricity, heat, security, security monitoring, storage, other utilities or services, and, in the case of bar operations, cash shortages, unless approved by the director. The lessor shall be responsible for the cost of any communications network or service that is required to conduct electronic gaming. Any other expenditure made by an organization that is related to a leased premises must be approved by the director. An organization may not provide any compensation or thing of value to a lessor or the lessor's employees from any fund source other than its gambling account. Rent payments may not be made to an individual.

(e) Notwithstanding paragraph (b), an organization may pay a lessor for food or beverages or meeting room rental if the charge made is comparable to similar charges made to other individuals or groups.

(f) No entity other than the licensed organization may conduct any activity within a booth operation on a leased premises.

(g) The rent provisions under this subdivision shall be monitored by the board and shall be reported to the legislature as part of the board's annual report.

Sec. 28. **[349.185] GROSS PROFIT ALLOCATION; LINKED BINGO ON ELECTRONIC BINGO DEVICES.**

(a) The allocation of gross profits from the operation of linked bingo on electronic bingo devices is as provided in this section. The licensed organization shall receive:

(1) a minimum of 50 percent of gross profits to be used exclusively for lawful purpose expenditures as defined under section 349.12, subdivision 25; and

(2) no more than 13 percent each fiscal year for allowable expenses as defined under section 349.12, subdivision 3a, and does not include the expenses allocated under paragraph (b) or (c).

(b) A linked bingo game provider shall receive no more than 20 percent of gross profits.

(c) Where the primary business is not bingo and the premises is leased and linked bingo is played on electronic bingo devices, the lessor is subject to the limits in section 349.18. The licensed organization shall be responsible for the overall conduct of linked bingo games but the lessor shall provide staffing to operate the linked bingo games at the premises in order to receive the percentage of profit allocation and the lessor is responsible for cash shortages.

(d) Where the primary business is bingo and the linked bingo is played on electronic bingo devices, the lessor is subject to the rent limitations under section 349.18, subdivision 1, paragraph (c), clause (1), and the licensed organization will receive the value identified under paragraph (c).

(e) The allocation of gross profits under this subdivision shall be monitored by the board and shall be reported to the legislature as part of the board's annual report.

Sec. 29. Minnesota Statutes 2010, section 349.211, subdivision 1a, is amended to read:

Subd. 1a. **Linked bingo prizes.** Prizes for a linked bingo game shall be limited as follows:

(1) no organization may contribute more than \$300 per linked bingo game to a linked bingo prize pool for linked bingo games played without electronic bingo devices, an organization may not contribute to a linked bingo game prize pool more than \$300 per linked bingo game per site;

(2) for linked bingo games played with electronic bingo devices, an organization may not contribute more than 85 percent of the gross receipts per permitted premises to a linked bingo game prize pool;

~~(3)~~ (3) no organization may award more than \$200 for a linked bingo game consolation prize. For purposes of this subdivision, a linked bingo game consolation prize is a prize awarded by an organization after a prize from the linked bingo prize pool has been won; and

~~(4)~~ (4) for a progressive linked bingo game, if no player declares a valid bingo within the for a progressive prize or prizes based on a predetermined amount of bingo numbers called and posted win determination, a portion of the prize is gross receipts may be carried over to another occasion game until the accumulated progressive prize is won. The portion of the prize that is not carried over must be awarded to the first player or players who declares a valid bingo as additional numbers are called. If a valid bingo is declared within the predetermined amount of bingo numbers called, the entire prize pool for that game is awarded to the winner. The annual limit for progressive bingo game prizes contained in subdivision 2 must be reduced by the amount an organization contributes to progressive linked bingo games during the same calendar year; and

(5) for linked bingo games played on electronic bingo devices, linked bingo prizes in excess of \$599 shall be paid by the linked bingo game provider to the player within three business days. Winners of linked bingo prizes in excess of \$599 will be given a receipt or claim voucher as proof of a win.

Sec. 30. **APPROPRIATION.**

\$440,000 in fiscal year 2012 and \$880,000 in fiscal year 2013 are appropriated from the lawful gambling regulation account in the special revenue fund to the Gambling Control Board for operating expenses related to the regulatory oversight of lawful gambling."

Delete the title and insert:

"A bill for an act relating to gambling; modifying certain rates of tax on lawful gambling; providing for linked bingo and electronic pull-tabs; making clarifying, conforming, and technical changes; appropriating money; amending Minnesota Statutes 2010, sections 297E.02; 349.12, subdivisions 5, 12a, 25b, 25c, 25d, 29, 32, 32a; 349.13; 349.151, subdivisions 4b, 4c; 349.155, subdivisions 3, 4; 349.161, subdivision 1; 349.163, subdivisions 1, 6; 349.1635, subdivision 2, by adding a subdivision; 349.165, subdivision 2; 349.17, subdivisions 6, 7, 8; 349.1721, by adding subdivisions; 349.18, subdivision 1; 349.211, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 349."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means without further recommendation.

The report was adopted.

Dean from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 1234, A bill for an act relating to the secretary of state; simplifying certain certificates issued to business entities; modifying provisions governing certain contracts entered into by nonprofit corporations; modifying effective date of resignations of agents; revising notice provided to organizations; allowing use of an alternate name; redefining business entities; eliminating issuance of certificates to business trusts and municipal power agencies; amending Minnesota Statutes 2010, sections 5.001, subdivision 2; 302A.711, subdivision 4; 302A.734, subdivision 2; 302A.751, subdivision 1; 303.08, subdivision 2; 303.17, subdivisions 2, 3, 4; 317A.255, subdivision 1; 317A.711, subdivision 4; 317A.733, subdivision 4; 317A.751, subdivision 3; 318.02, subdivisions 1, 2; 321.0809; 321.0906; 322B.826, subdivision 2; 322B.935, subdivisions 2, 3; 323A.1102; 453.53, subdivision 2; 453A.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 323A; repealing Minnesota Statutes 2010, sections 302A.801; 302A.805; 308A.151; 317A.022, subdivision 1; 317A.801; 317A.805; 318.02, subdivision 5.

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

The report was adopted.

Dean from the Committee on Rules and Legislative Administration to which was referred:

Senate Concurrent Resolution No. 8, A Senate concurrent resolution relating to adjournment of the Senate and House of Representatives until 2012.

Reported the same back with the recommendation that the senate concurrent resolution be adopted.

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. No. 1234 was read for the second time.

MESSAGES FROM THE SENATE

The following messages were received from 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. 988, A bill for an act relating to public defenders; modifying provisions providing for representation by a public defender; amending Minnesota Statutes 2010, sections 609.131, subdivision 1; 611.16; 611.17; 611.18; 611.20, subdivisions 3, 4; 611.27, subdivisions 1, 5; repealing Minnesota Statutes 2010, section 611.20, subdivision 6.

CAL R. LUDEMAN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Smith moved that the House concur in the Senate amendments to H. F. No. 988 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 988, A bill for an act relating to public defenders; modifying provisions providing for representation by a public defender; amending Minnesota Statutes 2010, sections 609.131, subdivision 1; 611.17; 611.20, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 2010, section 611.20, subdivision 6.

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 81 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Abeler	Bills	Doepke	Hackbarth	Kelly	Lohmer
Anderson, B.	Buesgens	Downey	Hamilton	Kiel	Loon
Anderson, D.	Cornish	Drazkowski	Hancock	Kiffmeyer	Mack
Anderson, P.	Crawford	Erickson	Holberg	Kriesel	Mazorol
Anderson, S.	Daudt	Fabian	Hoppe	Lanning	McDonald
Banaian	Davids	Franson	Hosch	Leidiger	McElpatrick
Barrett	Dean	Garofalo	Howes	LeMieur	McNamara
Beard	Dettmer	Gottwalt	Huntley	Lenczewski	Murdock
Benson, M.	Dittrich	Gruenhagen	Kahn	Lillie	Murphy, M.

Murray	Pelowski	Runbeck	Shimanski	Torkelson	Woodard
Myhra	Peppin	Sanders	Slawik	Urdahl	Spk. Zellers
Nelson	Petersen, B.	Scalze	Smith	Vogel	
Nornes	Peterson, S.	Schomacker	Stensrud	Wardlow	
Norton	Quam	Scott	Swedzinski	Westrom	

Those who voted in the negative were:

Anzelc	Falk	Hilstrom	Lesch	Morrow	Slocum
Atkins	Fritz	Hilty	Liebling	Mullery	Thissen
Benson, J.	Gauthier	Hornstein	Loeffler	Murphy, E.	Tillberry
Brynaert	Greene	Hortman	Mahoney	Paymar	Wagenius
Carlson	Greiling	Johnson	Mariani	Persell	Ward
Clark	Hansen	Knuth	Marquart	Poppe	Winkler
Davnie	Hausman	Koenen	Melin	Rukavina	
Eken	Hayden	Laine	Moran	Simon	

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

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

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. 1405, A bill for an act relating to insurance; regulating claims processing for insurance on portable electronics products; permitting use of an automated claims processing system subject to certain requirements and safeguards; amending Minnesota Statutes 2010, sections 72B.02, by adding a subdivision; 72B.03, subdivision 1; 72B.041, subdivision 2, by adding a subdivision.

CAL R. LUDEMAN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Daudt moved that the House concur in the Senate amendments to H. F. No. 1405 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1405, A bill for an act relating to insurance; regulating claims processing for insurance on portable electronics products; permitting use of an automated claims processing system subject to certain requirements and safeguards; amending Minnesota Statutes 2010, sections 72B.02, by adding a subdivision; 72B.03, subdivision 1; 72B.041, subdivisions 1, 2, by adding a subdivision; 72B.05.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

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. 1023, A bill for an act relating to judiciary; modifying certain provisions relating to courts, the sharing and release of certain data, juvenile delinquency proceedings, child support calculations, protective orders, wills and trusts, property interests, protected persons and wards, receiverships, assignments for the benefit of creditors, notice regarding civil rights, and seat belts; amending Minnesota Statutes 2010, sections 13.82, by adding a subdivision; 13.84, subdivision 6; 169.686, subdivision 1; 169.79, subdivision 6; 169.797, subdivision 4; 203B.06, subdivision 3; 260B.163, subdivision 1; 260C.331, subdivision 3; 279.37, subdivision 8; 302A.753, subdivisions 2, 3; 302A.755; 302A.759, subdivision 1; 302A.761; 308A.945, subdivisions 2, 3; 308A.951; 308A.961, subdivision 1; 308A.965; 308B.935, subdivisions 2, 3; 308B.941; 308B.951, subdivision 1; 308B.955; 316.11; 317A.255, subdivision 1; 317A.753, subdivisions 3, 4; 317A.755; 317A.759, subdivision 1; 322B.836, subdivisions 2, 3; 322B.84; 357.021, subdivision 6; 359.061, subdivisions 1, 2; 462A.05, subdivision 32; 469.012, subdivision 2i; 514.69; 514.70; 518.552, by adding a subdivision; 518A.29; 518B.01, subdivision 8; 524.2-712; 524.2-1103; 524.2-1104; 524.2-1106; 524.2-1107; 524.2-1114; 524.2-1115; 524.2-1116; 524.5-502; 525.091, subdivisions 1, 3; 540.14; 559.17, subdivision 2; 576.04; 576.06; 576.08; 576.09; 576.11; 576.121; 576.123; 576.144; 576.15; 576.16; proposing coding for new law in Minnesota Statutes, chapters 5B; 201; 243; 576; 577; 630; repealing Minnesota Statutes 2010, sections 302A.759, subdivision 2; 308A.961, subdivision 2; 308B.951, subdivisions 2, 3; 317A.759, subdivision 2; 576.01; 577.01; 577.02; 577.03; 577.04; 577.05; 577.06; 577.08; 577.09; 577.10.

CAL R. LUDEMAN, Secretary of the Senate

Smith moved that the House refuse to concur in the Senate amendments to H. F. No. 1023, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 86.

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

CAL R. LUDEMAN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 86

A bill for an act relating to energy; removing ban on increased carbon dioxide emissions by utilities; amending Minnesota Statutes 2010, section 216H.02, subdivision 4; repealing Minnesota Statutes 2010, section 216H.03.

May 20, 2011

The Honorable Michelle L. Fischbach
President of the Senate

The Honorable Kurt Zellers
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 86 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 86 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 216H.03, subdivision 7, is amended to read:

Subd. 7. **Other exemptions.** The prohibitions in subdivision 3 do not apply to:

(1) a new large energy facility under consideration by the Public Utilities Commission pursuant to proposals or applications filed with the Public Utilities Commission before April 1, 2007, or to any power purchase agreement related to a facility described in this clause. The exclusion of pending proposals and applications from the prohibitions in subdivision 3 does not limit the applicability of any other law and is not an expression of legislative intent regarding whether any pending proposal or application should be approved or denied;

(2) a contract not subject to commission approval that was entered into prior to April 1, 2007, to purchase power from a new large energy facility that was approved by a comparable authority in another state prior to that date, for which municipal or public power district bonds have been issued, and on which construction has begun; ~~or~~

(3) a new large energy facility or a power purchase agreement between a Minnesota utility and a new large energy facility located outside Minnesota that the Public Utilities Commission has determined is essential to ensure the long-term reliability of Minnesota's electric system, to allow electric service for increased industrial demand, or to avoid placing a substantial financial burden on Minnesota ratepayers. An order of the commission granting an exemption under this clause is stayed until the June 1 following the next regular or annual session of the legislature that begins after the date of the commission's final order; or

(4) 1,500 megawatts of electric generating capacity, in aggregate, from new large energy facilities or power purchase agreements with those new large energy facilities that:

(i) are fueled by feedstock coal; and

(ii) began construction after April 1, 2007.

Projects will receive priority for exemption under this clause based on the shortest amount of time after April 1, 2007, and the date construction of a new large energy facility begins. Power purchase agreements with new large energy facilities that are exempt from the prohibitions in subdivision 3 pursuant to this clause are also exempt from the prohibitions in subdivision 3. An exemption under this clause is not valid unless certified by the Public Utilities Commission. The commission must certify a request for an exemption if it finds the request and the grant of the exemption is in compliance with this clause.

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

Delete the title and insert:

"A bill for an act relating to energy; modifying ban on increased carbon dioxide emissions by utilities; amending Minnesota Statutes 2010, section 216H.03, subdivision 7."

We request the adoption of this report and repassage of the bill.

Senate Conferees: JULIE A. ROSEN, LEROY A. STUMPF and DOUG MAGNUS.

House Conferees: MICHAEL BEARD, TIM O'DRISCOLL and LYLE KOENEN.

Beard moved that the report of the Conference Committee on S. F. No. 86 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 86, A bill for an act relating to energy; removing ban on increased carbon dioxide emissions by utilities; amending Minnesota Statutes 2010, section 216H.02, subdivision 4; repealing Minnesota Statutes 2010, section 216H.03.

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

The question was taken on the repassage of the bill and the roll was called. There were 75 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, P.	Barrett	Bills	Crawford	Dean
Anderson, B.	Anderson, S.	Beard	Buesgens	Daudt	Dettmer
Anderson, D.	Banaian	Benson, M.	Cornish	Davids	Doepke

Downey	Hackbarth	Kriesel	McElfatrick	Quam	Torkelson
Drazkowski	Hamilton	Lanning	McNamara	Rukavina	Urdahl
Eken	Hancock	Leidiger	Murdock	Runbeck	Vogel
Erickson	Holberg	LeMieur	Murray	Sanders	Wardlow
Fabian	Hoppe	Lohmer	Myhra	Schomacker	Westrom
Franson	Howes	Loon	Nornes	Scott	Woodard
Garofalo	Kelly	Mack	O'Driscoll	Shimanski	Spk. Zellers
Gottwalt	Kiel	Marquart	Pelowski	Smith	
Gruenhagen	Kiffmeyer	Mazorol	Peppin	Stensrud	
Gunther	Koenen	McDonald	Petersen, B.	Swedzinski	

Those who voted in the negative were:

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

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1023:

Smith, Shimanski and Johnson.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 954

A bill for an act relating to counties; providing a process for making certain county offices appointive in Kittson County.

May 21, 2011

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

We, the undersigned conferees for H. F. No. 954 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 954 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **KITTSON, MARSHALL COUNTY OFFICES MAY BE APPOINTED.**

Subdivision 1. **Authority to make office appointive.** Notwithstanding Minnesota Statutes, section 382.01, upon adoption of a resolution by the Kittson County Board of Commissioners or the Marshall County Board of Commissioners, the respective offices of county recorder and county auditor-treasurer in that county are not elective but must be filled by appointment by the county board as provided in the resolution.

Subd. 2. **Board controls; may change as long as duties done.** Upon adoption of a resolution by the county board of commissioners and subject to subdivisions 3 and 4, the duties of an elected official required by statute whose office is made appointive as authorized by this section must be discharged by the county board of commissioners acting through a department head appointed by the board for that purpose. Reorganization, reallocation, delegation, or other administrative change or transfer does not diminish, prohibit, or avoid the discharge of duties required by statute.

Subd. 3. **Incumbents to complete term.** The person elected at the last general election to an office made appointive under this section must serve in that capacity and perform the duties, functions, and responsibilities required by statute until the completion of the term of office to which the person was elected or until a vacancy occurs in the office, whichever occurs earlier.

Subd. 4. **Publishing resolution; petition, referendum.** (a) Before the adoption of the resolution to provide for the appointment of the county recorder and county auditor-treasurer, the county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and prior to formally adopting the resolution, the county board shall provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment opportunity, at the same meeting or a subsequent meeting, the county board of commissioners may adopt a resolution that provides for the appointment of the county recorder and county auditor-treasurer as permitted in this section. The resolution must be approved by at least 80 percent of the members of the county board. The resolution may take effect 60 days after it is adopted, or at a later date stated in the resolution, unless a petition is filed as provided in paragraph (b).

(b) Within 60 days after the county board adopts the resolution, a petition requesting a referendum may be filed with the county auditor-treasurer. The petition must be signed by at least ten percent of the registered voters of the county. The petition must meet the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If the petition is sufficient, the question of appointing the county recorder and county auditor-treasurer must be placed on the ballot at a regular or special election. If a majority of the voters of the county voting on the question vote in favor of appointment, the resolution may be implemented.

Subd. 5. **Reverting to elected offices.** (a) The county board may adopt a resolution to provide for the election of an office made an appointed position under this section, but not until at least three years after the office was made an appointed position. The county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and before formally adopting the resolution, the county board must provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment hearing, the county board may adopt the resolution. The resolution must be approved by at least 60 percent of the members of the county board and is effective August 1 following adoption of the resolution.

(b) The question of whether an office made an appointed position under this section must be made an elected office must be placed on the ballot at the next general election if (1) the position has been an appointed position for at least three years, (2) a petition signed by at least ten percent of the registered voters of the county is filed with the

office of the county auditor-treasurer by August 1 of the year in which the general election is held, and (3) the petition meets the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If a majority of the voters of the county voting on the question vote in favor of making the office an elected position, the election for that office must be held at the next regular or special election.

EFFECTIVE DATE. This section is effective as to Marshall County the day after the Marshall County Board of Commissioners and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3. This section is effective as to Kittson County the day after the Kittson County Board of Commissioners and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Delete the title and insert:

"A bill for an act relating to counties; providing a process for making certain county offices appointive in the counties of Kittson and Marshall."

We request the adoption of this report and repassage of the bill.

House Conferees: DAN FABIAN and DEBRA KIEL.

Senate Conferees: LEROY A. STUMPF, CLAIRE A. ROBLING and DOUG MAGNUS.

Fabian moved that the report of the Conference Committee on H. F. No. 954 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 954, A bill for an act relating to counties; providing a process for making certain county offices appointive in Kittson County.

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

The question was taken on the repassage of the bill and the roll was called. There were 95 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Abeler	Crawford	Gunther	Johnson	Lohmer	Nelson
Anderson, D.	Davnie	Hackbarth	Kahn	Loon	Nornes
Anderson, P.	Dean	Hamilton	Kelly	Mack	O'Driscoll
Anzelc	Dill	Hancock	Kiel	Mahoney	Pelowski
Atkins	Dittrich	Hayden	Kiffmeyer	Marquart	Persell
Banaian	Doepke	Hilstrom	Knuth	Mazorol	Petersen, B.
Barrett	Downey	Holberg	Kriesel	McDonald	Peterson, S.
Beard	Fabian	Hoppe	Laine	McElfatrick	Quam
Benson, J.	Garofalo	Hornstein	Lanning	McNamara	Runbeck
Benson, M.	Gauthier	Hortman	Leidiger	Morrow	Sanders
Bills	Gottwalt	Hosch	Lenczewski	Murdock	Scalze
Brynaert	Greene	Howes	Liebling	Murray	Schomacker
Cornish	Gruenhagen	Huntley	Loeffler	Myhra	Shimanski

Simon	Smith	Tillberry	Vogel	Wardlow	Woodard
Slawik	Stensrud	Torkelson	Wagenius	Westrom	Spk. Zellers
Slocum	Thissen	Urdahl	Ward	Winkler	

Those who voted in the negative were:

Anderson, B.	Davids	Franson	LeMieur	Murphy, E.	Rukavina
Anderson, S.	Dettmer	Greiling	Lesch	Murphy, M.	Scott
Buesgens	Drazkowski	Hansen	Lillie	Norton	Swedzinski
Carlson	Eken	Hausman	Mariani	Paymar	
Clark	Erickson	Hilty	Melin	Peppin	
Daudt	Falk	Koenen	Moran	Poppe	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1144

A bill for an act relating to state government; providing for limited reinstatement of coverage in state employee group insurance program.

May 22, 2011

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

We, the undersigned conferees for H. F. No. 1144 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

We request the adoption of this report and repassage of the bill.

House Conferees: TONY CORNISH, STEVE SMITH and TOM ANZELC.

Senate Conferees: JOHN J. CARLSON and TED H. LILLIE.

Cornish moved that the report of the Conference Committee on H. F. No. 1144 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1144, A bill for an act relating to state government; providing for limited reinstatement of coverage in state employee group insurance program.

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

The question was taken on the repassage of the bill and the roll was called. There were 103 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Hansen	Leidiger	Murphy, E.	Swedzinski
Anderson, B.	Davnie	Hilstrom	LeMieur	Murray	Thissen
Anderson, D.	Dean	Holberg	Lenczewski	Myhra	Tillberry
Anderson, P.	Dill	Hoppe	Liebling	Nornes	Torkelson
Anderson, S.	Dittrich	Hornstein	Lillie	Norton	Urdahl
Anzelc	Doepke	Hortman	Loeffler	O'Driscoll	Vogel
Atkins	Eken	Hosch	Lohmer	Paymar	Wagenius
Barrett	Fabian	Howes	Loon	Pelowski	Ward
Beard	Franson	Huntley	Mack	Peterson, S.	Wardlow
Benson, J.	Garofalo	Kahn	Marquart	Poppe	Westrom
Benson, M.	Gauthier	Kelly	Mazorol	Sanders	Winkler
Bills	Gottwalt	Kiel	McDonald	Schomacker	Woodard
Brynaert	Greene	Kiffmeyer	McElpatrick	Scott	Spk. Zellers
Carlson	Gruenhagen	Knuth	McNamara	Shimanski	
Clark	Gunther	Koenen	Melin	Simon	
Cornish	Hackbarth	Kriesel	Moran	Slawik	
Crawford	Hamilton	Laine	Morrow	Smith	
Daudt	Hancock	Lanning	Murdock	Stensrud	

Those who voted in the negative were:

Banaian	Drazkowski	Greiling	Johnson	Peppin	Rukavina
Buesgens	Erickson	Hausman	Lesch	Persell	Runbeck
Dettmer	Falk	Hayden	Murphy, M.	Petersen, B.	Scalze
Downey	Fritz	Hilty	Nelson	Quam	Slocum

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

CALENDAR FOR THE DAY

S. F. No. 712 was reported to the House.

Fabian moved to amend S. F. No. 712, the third engrossment, as follows:

Page 24, line 16, delete "Sections 9 to 28 are" and insert "This act is"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Mack, Hoppe, Hansen, Atkins and Bills moved to amend S. F. No. 712, the third engrossment, as amended, as follows:

Page 25, after line 10, insert:

"Sec. 30. **INTEREST IN LANDS EXTENDED.**

Notwithstanding any law to the contrary, Dakota County's reversionary interests in lands deeded by Dakota County to the state of Minnesota, as contemplated by Laws 1975, chapter 382, and currently maintained and used for the purposes of a state zoological garden in Apple Valley, Minnesota, to wit, those lands described in documents recorded in the Dakota County Property Records Office as Document No. 433980 and Document No. 439719, excluding lands subject to that certain quit claim deed recorded as Document No. 1246646 and excluding lands subject to that certain quit claim deed recorded as Document No. 1330383, are extended and remain permanently valid and operative.

EFFECTIVE DATE. This section is effective upon compliance by the Dakota County Board of Commissioners with the provisions of Minnesota Statutes, section 645.021."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Dill, Anzelc, Rukavina, Melin and Persell moved to amend S. F. No. 712, the third engrossment, as amended, as follows:

Page 25, after line 10, insert:

"Sec. 30. **WILD RICE RULEMAKING AND RESEARCH.**

(a) Upon completion of the research referenced in paragraph (d), the commissioner of the Pollution Control Agency shall initiate a process to amend Minnesota Rules, chapter 7050. The amended rule shall:

(1) address water quality standards for waters containing natural beds of wild rice, as well as for irrigation waters used for the production of wild rice;

(2) designate each body of water, or specific portion thereof, to which wild rice water quality standards apply; and

(3) the specific times of year during which the standard applies.

Nothing in this paragraph shall prevent the Pollution Control Agency from applying the narrative standard for all class 2 waters established in Minnesota Rules, part 7050.0150, subpart 3.

(b) "Waters containing natural beds of wild rice" means waters where wild rice occurs naturally. Before designating waters containing natural beds of wild rice as waters subject to a standard, the commissioner of the Pollution Control Agency shall establish criteria for the waters after consultation with the Department of Natural Resources, Minnesota Indian tribes, and other interested parties and after public notice and comment. The criteria shall include, but not be limited to, history of wild rice harvests, minimum acreage, and wild rice density.

(c) Within 30 days of the effective date of this section, the commissioner of the Pollution Control Agency must create an advisory group to provide input to the commissioner on a protocol for scientific research to assess the impacts of sulfates and other substances on the growth of wild rice, review research results, and provide other advice on the development of future rule amendments to protect wild rice. The group must include representatives of tribal governments, municipal wastewater treatment facilities, industrial dischargers, wild rice harvesters, wild rice research experts, and citizen organizations.

(d) After receiving the advice of the advisory group under paragraph (c), consultation with the commissioner of natural resources, and review of all reasonably available and applicable scientific research on water quality and other environmental impacts on the growth of wild rice, the commissioner of the Pollution Control Agency shall adopt and implement a wild rice research plan using the money appropriated to contract with appropriate scientific experts. The commissioner shall periodically review the results of the research with the commissioner of natural resources and the advisory group.

(e) From the date of enactment until the rule amendment under paragraph (a) is finally adopted, to the extent allowable under the federal Clean Water Act or other federal laws, the Pollution Control Agency shall exercise its authority under federal and state laws and regulations to ensure, to the fullest extent possible, that no permittee is required to expend funds for design and implementation of sulfate treatment technologies. Nothing shall prevent the Pollution Control Agency from including in a schedule of compliance a requirement to monitor sulfate concentrations in discharges and, if appropriate, based on site-specific conditions, a requirement to implement a sulfate minimization plan to avoid or minimize sulfate concentrations during periods when wild rice may be susceptible to damage.

(f) If the commissioner of the Pollution Control Agency determines that amendments to Minnesota Rules are necessary to ensure that no permittee is required to expend funds for design and implementation of sulfate treatment technologies until after the rule amendment described in paragraph (a) is complete, the commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules necessary to implement this section, and Minnesota Statutes, section 14.386, does not apply, except as provided in Minnesota Statutes, section 14.388.

(g) Upon completion of the rule amendment described in paragraph (a), the Pollution Control Agency shall, if necessary, modify the discharge limits in the affected wastewater discharge permits to reflect the new standards in accordance with state and federal regulations and shall exercise its powers to enter into schedules of compliance in the permits.

(h) By December 15, 2011, the commissioner of the Pollution Control Agency shall submit a report to the chairs and ranking minority members of the environment and natural resources committees of the house of representatives and senate on the status of implementation of this section. The report must include an estimated timeline for completion of the wild rice research plan and initiation and completion of the formal rulemaking process under Minnesota Statutes, chapter 14.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

MOTION FOR RECONSIDERATION

Fabian moved that the vote whereby the Fabian amendment to S. F. No. 712, the third engrossment, as amended, was adopted earlier today be now reconsidered. The motion prevailed.

Fabian withdrew his amendment to S. F. No. 712, the third engrossment, as amended.

Fabian moved to amend S. F. No. 712, the third engrossment, as amended, as follows:

Page 25, delete line 12 and insert "This act is effective the day following final enactment."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 712, A bill for an act relating to state lands; establishing adopt-a-WMA program; adding to and deleting from state parks, state recreation areas, state forests, and state wildlife management areas; authorizing public and private sales of certain surplus and tax-forfeited lands; amending Minnesota Statutes 2010, sections 85.052, subdivision 4; 89.021, subdivision 48; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Hancock	Lanning	Murphy, M.	Simon
Anderson, B.	Dettmer	Hansen	Leidiger	Murray	Slawik
Anderson, D.	Dill	Hayden	LeMieur	Myhra	Slocum
Anderson, P.	Dittrich	Hilstrom	Liebling	Nelson	Smith
Anderson, S.	Doepke	Hilty	Lillie	Nornes	Stensrud
Anzenc	Downey	Holberg	Loeffler	Norton	Swedzinski
Atkins	Drazkowski	Hoppe	Lohmer	O'Driscoll	Thissen
Banaian	Eken	Hornstein	Loon	Pelowski	Tillberry
Barrett	Erickson	Hortman	Mack	Peppin	Torkelson
Beard	Fabian	Hosch	Mahoney	Persell	Urdahl
Benson, J.	Falk	Howes	Mariani	Petersen, B.	Vogel
Benson, M.	Franson	Huntley	Marquart	Peterson, S.	Wagenius
Bills	Fritz	Johnson	Mazorol	Poppe	Ward
Brynaert	Garofalo	Kath	McDonald	Quam	Wardlow
Carlson	Gauthier	Kelly	McElfratrick	Rukavina	Westrom
Clark	Gottwalt	Kiel	McNamara	Runbeck	Winkler
Cornish	Greene	Kiffmeyer	Melin	Sanders	Woodard
Crawford	Gruenhagen	Knuth	Moran	Scalze	Spk. Zellers
Daudt	Gunther	Koenen	Morrow	Schomacker	
Davids	Hackbarth	Kriesel	Murdock	Scott	
Davnie	Hamilton	Laine	Murphy, E.	Shimanski	

Those who voted in the negative were:

Buesgens	Hausman	Lenczewski	Paymar
Greiling	Kahn	Lesch	

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

MOTIONS AND RESOLUTIONS

Mahoney moved that the names of Zellers and Atkins be added as authors on H. F. No. 857. The motion prevailed.

Gauthier moved that the name of Paymar be added as an author on H. F. No. 1758. The motion prevailed.

Senate Concurrent Resolution No. 8 was reported to the House.

SENATE CONCURRENT RESOLUTION NO. 8

A Senate concurrent resolution relating to adjournment of the Senate and House of Representatives until 2012.

Be It Resolved, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon their adjournments on May 23, 2011, the Senate may set its next day of meeting for Tuesday, January 24, 2012, at 12:00 noon and the House of Representatives may set its next day of meeting for Tuesday, January 24, 2012, at 12:00 noon.

2. By the adoption of this resolution, each house consents to adjournment of the other house for more than three days.

Dean moved that Senate Concurrent Resolution No. 8 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 8 was adopted.

MOTION TO FIX TIME TO CONVENE

Dean moved that when the House adjourns today it adjourn until 10:00 a.m., Monday, May 23, 2011.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

Abeler	Anderson, P.	Atkins	Beard	Bills	Carlson
Anderson, B.	Anderson, S.	Banaian	Benson, J.	Brynaert	Clark
Anderson, D.	Anzelc	Barrett	Benson, M.	Buesgens	Cornish

Crawford	Greene	Huntley	Loeffler	Myhra	Shimanski
Davids	Greiling	Johnson	Lohmer	Nelson	Simon
Davnie	Gruenhagen	Kahn	Loon	Nornes	Slawik
Dean	Gunther	Kath	Mack	Norton	Slocum
Dettmer	Hackbarth	Kelly	Mahoney	O'Driscoll	Smith
Dill	Hamilton	Kiel	Mariani	Paymar	Stensrud
Dittrich	Hancock	Kiffmeyer	Marquart	Pelowski	Swedzinski
Doepke	Hansen	Knuth	Mazorol	Peppin	Thissen
Drazkowski	Hausman	Koenen	McDonald	Petersen, B.	Torkelson
Eken	Hayden	Kriesel	McElfatrick	Peterson, S.	Urdahl
Erickson	Hilstrom	Laine	McNamara	Poppe	Vogel
Fabian	Hilty	Lanning	Melin	Quam	Wagenius
Falk	Holberg	Leidiger	Moran	Rukavina	Ward
Franson	Hoppe	LeMieur	Morrow	Runbeck	Wardlow
Fritz	Hornstein	Lenczewski	Murdock	Sanders	Westrom
Garofalo	Hortman	Lesch	Murphy, E.	Scalze	Winkler
Gauthier	Hosch	Liebling	Murphy, M.	Schomacker	Woodard
Gottwalt	Howes	Lillie	Murray	Scott	

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

The question recurred on the Dean motion and the roll was called.

Thissen moved that those not voting be excused from voting. The motion prevailed.

There were 82 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Abeler	Daudt	Gruenhagen	Kiel	Murray	Slocum
Anderson, B.	Davids	Gunther	Kiffmeyer	Myhra	Smith
Anderson, D.	Dean	Hackbarth	Lanning	Nornes	Stensrud
Anderson, P.	Dettmer	Hamilton	Leidiger	O'Driscoll	Swedzinski
Anderson, S.	Doepke	Hancock	LeMieur	Pelowski	Thissen
Anzelc	Downey	Hausman	Lohmer	Peppin	Torkelson
Banaian	Drazkowski	Hilstrom	Loon	Petersen, B.	Urdahl
Barrett	Erickson	Hilty	Mack	Quam	Vogel
Beard	Fabian	Holberg	Mariani	Rukavina	Wardlow
Benson, M.	Franson	Hoppe	Mazorol	Runbeck	Westrom
Bills	Garofalo	Howes	McDonald	Sanders	Woodard
Buesgens	Gauthier	Huntley	McElfatrick	Schomacker	Spk. Zellers
Cornish	Gottwalt	Johnson	McNamara	Scott	
Crawford	Greiling	Kelly	Murdock	Shimanski	

Those who voted in the negative were:

Atkins	Eken	Hosch	Lesch	Morrow	Poppe
Benson, J.	Falk	Kahn	Liebling	Murphy, E.	Scalze
Brynaert	Fritz	Kath	Lillie	Murphy, M.	Simon
Carlson	Greene	Knuth	Loeffler	Nelson	Slawik
Clark	Hansen	Koenen	Mahoney	Norton	Wagenius
Davnie	Hayden	Kriesel	Marquart	Paymar	Ward
Dill	Hornstein	Laine	Melin	Persell	Winkler
Dittrich	Hortman	Lenczewski	Moran	Peterson, S.	

The motion prevailed.

ADJOURNMENT

Dean moved that the House adjourn. The motion prevailed, and Speaker pro tempore Lanning declared the House stands adjourned until 10:00 a.m., Monday, May 23, 2011.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives