

## STATE OF MINNESOTA

## EIGHTY-EIGHTH SESSION — 2013

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 FORTY-NINTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 3, 2013

The House of Representatives convened at 10:00 a.m. and was called to order by Paul Thissen, Speaker of the House.

Prayer was offered by the Reverend Karen Wight Hoogheem, Member of St. Philip's Lutheran Church, Fridley, Minnesota.

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

The roll was called and the following members were present:

Abeler	Dehn, R.	Hausman	Liebling	Nelson	Selcer
Albright	Dettmer	Hertaus	Lien	Newberger	Simon
Allen	Dorholt	Hilstrom	Lillie	Newton	Simonson
Anderson, M.	Drazkowski	Holberg	Loeffler	Nornes	Slocum
Anderson, P.	Erhardt	Hoppe	Lohmer	O'Driscoll	Sundin
Anderson, S.	Erickson, R.	Hornstein	Loon	O'Neill	Swedzinski
Anzelc	Erickson, S.	Hortman	Mack	Paymar	Theis
Atkins	Fabian	Howe	Mahoney	Pelowski	Torkelson
Barrett	Falk	Huntley	Mariani	Peppin	Uglen
Bear	Faust	Isaacson	Marquart	Persell	Urdahl
Benson, J.	Fischer	Johnson, B.	Masin	Poppe	Wagenius
Benson, M.	FitzSimmons	Johnson, C.	McDonald	Pugh	Ward, J.A.
Bernardy	Franson	Johnson, S.	McNamar	Quam	Ward, J.E.
Bly	Freiberg	Kahn	McNamara	Radinovich	Wills
Brynaert	Fritz	Kelly	Melin	Rosenthal	Winkler
Carlson	Garofalo	Kieffer	Metsa	Runbeck	Woodard
Clark	Green	Kiel	Moran	Sanders	Yarusso
Cornish	Gruenhagen	Kresha	Morgan	Savick	Zellers
Daudt	Hackbarth	Laine	Mullery	Sawatzky	Zerwas
Davids	Halverson	Leidiger	Murphy, E.	Schoen	Spk. Thissen
Davnie	Hamilton	Lenczewski	Murphy, M.	Schomacker	
Dean, M.	Hansen	Lesch	Myhra	Scott	

A quorum was present.

Dill, Gunther, Norton and Petersburg were excused.

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

**REPORTS OF CHIEF CLERK**

S. F. No. 250 and H. F. No. 252, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Allen moved that the rules be so far suspended that S. F. No. 250 be substituted for H. F. No. 252 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 346 and H. F. No. 411, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Hilstrom moved that the rules be so far suspended that S. F. No. 346 be substituted for H. F. No. 411 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 748 and H. F. No. 654, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Laine moved that S. F. No. 748 be substituted for H. F. No. 654 and that the House File be indefinitely postponed. The motion prevailed.

**PETITIONS AND COMMUNICATIONS**

The following communications were received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 1, 2013

The Honorable Paul Thissen  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Thissen:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State H. F. Nos. 669, 1378 and 19.

Sincerely,

MARK DAYTON  
Governor

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

The Honorable Paul Thissen  
Speaker of the House of Representatives

The Honorable Sandra L. Pappas  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2013 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2013</i>	<i>Date Filed 2013</i>
442		29	4:04 p.m. May 1	May 1
422		30	4:04 p.m. May 1	May 1
1016		31	4:05 p.m. May 1	May 1
	669	32	4:05 p.m. May 1	May 1
	1378	33	4:06 p.m. May 1	May 1
769		34	4:06 p.m. May 1	May 1
324		35	4:07 p.m. May 1	May 1
	19	36	4:09 p.m. May 1	May 1

Sincerely,

MARK RITCHIE  
Secretary of State

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Murphy, E., from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 863, A bill for an act relating to campaign finance; providing for additional disclosure; making various changes to campaign finance and public disclosure law; providing penalties; amending Minnesota Statutes 2012, sections 10A.01, subdivisions 10, 11, 27, 28, by adding subdivisions; 10A.02, subdivisions 9, 10, 11, 12, 15; 10A.025, subdivisions 2, 3; 10A.105, subdivision 1; 10A.12, subdivisions 1, 1a, 2; 10A.121; 10A.14, subdivision 1, by adding a subdivision; 10A.15, subdivisions 1, 2, 3; 10A.20, subdivisions 1, 2, 3, 5, 6, 7, by adding a subdivision; 10A.241; 10A.25, subdivisions 2, 2a, 3; 10A.257, subdivision 1; 10A.27, subdivisions 1, 10, 11, 13, 14, 15; 10A.323; 211B.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 2012, sections 10A.24; 10A.242; 10A.25, subdivision 6.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

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

H. F. No. 956, A bill for an act relating to energy; amending various provisions related to utilities; modifying provisions governing cogeneration and small power production; establishing a value of solar rate and related regulations; permitting community solar generating facilities; creating various renewable energy incentives; requiring studies; extending sunsets; making technical corrections; amending Minnesota Statutes 2012, sections 16C.144, subdivision 2; 116C.779, subdivision 3; 216B.02, subdivision 4; 216B.03; 216B.16, subdivision 7b, by adding a subdivision; 216B.1611; 216B.1635; 216B.164, subdivisions 3, 4, 5, 6, by adding subdivisions; 216B.1691, subdivisions 1, 2a, 2e, by adding a subdivision; 216B.1692, subdivisions 1, 8, by adding a subdivision; 216B.1695, subdivision 5, by adding a subdivision; 216B.23, subdivision 1a; 216B.241, subdivisions 1e, 5c; 216B.2411, subdivision 3; 216B.40; 216C.436, subdivisions 7, 8; Laws 2005, chapter 97, article 10, section 3; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C; repealing Minnesota Statutes 2012, section 216B.1637.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 16C.144, subdivision 2, is amended to read:

Subd. 2. **Guaranteed energy-savings agreement.** The commissioner may enter into a guaranteed energy-savings agreement with a qualified provider if:

(1) the qualified provider is selected through a competitive process in accordance with the guaranteed energy-savings program guidelines within the Department of Administration;

(2) the qualified provider agrees to submit an engineering report prior to the execution of the guaranteed energy-savings agreement. The cost of the engineering report may be considered as part of the implementation costs if the commissioner enters into a guaranteed energy-savings agreement with the provider;

(3) the term of the guaranteed energy-savings agreement shall not exceed ~~45~~ 25 years from the date of final installation;

(4) the commissioner finds that the amount it would spend on the utility cost-savings measures recommended in the engineering report will not exceed the amount to be saved in utility operation and maintenance costs over ~~45~~ 25 years from the date of implementation of utility cost-savings measures;

(5) the qualified provider provides a written guarantee that the annual utility, operation, and maintenance cost savings during the term of the guaranteed energy-savings agreement will meet or exceed the annual payments due under a lease purchase agreement. The qualified provider shall reimburse the state for any shortfall of guaranteed utility, operation, and maintenance cost savings; and

(6) the qualified provider gives a sufficient bond in accordance with section 574.26 to the commissioner for the faithful implementation and installation of the utility cost-savings measures.

Sec. 2. Minnesota Statutes 2012, section 116C.779, subdivision 3, is amended to read:

Subd. 3. **Initiative for Renewable Energy and the Environment.** (a) Notwithstanding subdivision 1, paragraph (g), beginning July 1, 2009, and each July 1 through 2011, and on July 1, 2013, and July 1, 2014, \$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.

Sec. 3. Minnesota Statutes 2012, section 216B.02, subdivision 4, is amended to read:

Subd. 4. **Public utility.** "Public utility" means persons, corporations, or other legal entities, their lessees, trustees, and receivers, now or hereafter operating, maintaining, or controlling in this state equipment or facilities for furnishing at retail natural, manufactured, or mixed gas or electric service to or for the public or engaged in the production and retail sale thereof but does not include (1) a municipality or a cooperative electric association, organized under the provisions of chapter 308A, producing or furnishing natural, manufactured, or mixed gas or electric service; (2) a retail seller of compressed natural gas used as a vehicular fuel which purchases the gas from a public utility; or (3) a retail seller of electricity used to recharge a battery that powers an electric vehicle, as defined in section 169.011, subdivision 26a, and that is not otherwise a public utility under this chapter. Except as otherwise provided, the provisions of this chapter shall not be applicable to any sale of natural, manufactured, or mixed gas or electricity by a public utility to another public utility for resale. In addition, the provisions of this chapter shall not apply to a public utility whose total natural gas business consists of supplying natural, manufactured, or mixed gas to not more than 650 customers within a city pursuant to a franchise granted by the city, provided a resolution of the city council requesting exemption from regulation is filed with the commission. The city council may rescind the resolution requesting exemption at any time, and, upon the filing of the rescinding resolution with the commission, the provisions of this chapter shall apply to the public utility. No person shall be deemed to be a public utility if it furnishes its services only to tenants or cooperative or condominium owners in buildings owned, leased, or operated by such person. No person shall be deemed to be a public utility if it furnishes service to occupants of a

manufactured home or trailer park owned, leased, or operated by such person. No person shall be deemed to be a public utility if it produces or furnishes service to less than 25 persons. No person shall be deemed to be a public utility solely as a result of the person furnishing consumers with electricity or heat generated from wind or solar generating equipment located on the consumer's property, provided the equipment is owned or operated by an entity other than the consumer.

Sec. 4. Minnesota Statutes 2012, section 216B.03, is amended to read:

**216B.03 REASONABLE RATE.**

Every rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of consumers. To the maximum reasonable extent, the commission shall set rates to encourage energy conservation and renewable energy use and to further the goals of sections 216B.164, 216B.241, ~~and 216C.05, and 216C.412.~~ Any doubt as to reasonableness should be resolved in favor of the consumer. For rate-making purposes a public utility may treat two or more municipalities served by it as a single class wherever the populations are comparable in size or the conditions of service are similar.

Sec. 5. Minnesota Statutes 2012, section 216B.16, is amended by adding a subdivision to read:

Subd. 6e. **Solar energy production incentive.** (a) Except as otherwise provided in this subdivision, all assessments authorized by section 216C.412 incurred in connection with the solar energy production incentive shall be recognized and included by the commission in the determination of just and reasonable rates as if the expenses were directly made or incurred by the utility in furnishing utility service.

(b) The commission shall not include expenses for the solar energy production incentive in determining just and reasonable electric rates for retail electric service provided to customers receiving the low-income electric rate discount authorized by subdivision 14.

Sec. 6. Minnesota Statutes 2012, section 216B.16, subdivision 7b, is amended to read:

Subd. 7b. **Transmission cost adjustment.** (a) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for the automatic annual adjustment of charges for the Minnesota jurisdictional costs net of associated revenues of:

(i) new transmission facilities that have been separately filed and reviewed and approved by the commission under section 216B.243 or are certified as a priority project or deemed to be a priority transmission project under section 216B.2425; ~~and~~

(ii) new transmission facilities approved by the regulatory commission of the state in which the new transmission facilities are to be constructed, to the extent approval is required by the laws of that state, and determined by the Midwest Independent Transmission System Operator to benefit the utility or integrated transmission system; and

(iii) charges incurred by a utility under a federally approved tariff that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midwest Independent Transmission System Operator to benefit the utility, as provided for under a federally approved tariff or integrated transmission system.

(b) Upon filing by a public utility or utilities providing transmission service, the commission may approve, reject, or modify, after notice and comment, a tariff that:

(1) allows the utility to recover on a timely basis the costs net of revenues of facilities approved under section 216B.243 or certified or deemed to be certified under section 216B.2425 or exempt from the requirements of section 216B.243;

(2) allows the utility to recover charges incurred by a utility under a federally approved tariff that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midwest Independent Transmission System Operator to benefit the utility, as provided for under a federally approved tariff or integrated transmission system. These charges must be reduced or offset by revenues received by the utility and by amounts the utility charges to other regional transmission owners, to the extent those revenues and charges have not been otherwise offset;

(3) allows the utility to recover on a timely basis the costs net of associated revenues of facilities approved by the regulatory commission of the state in which the new transmission facilities are to be constructed and determined by the Midwest Independent Transmission System Operator to benefit the utility or integrated transmission system;

(4) allows a return on investment at the level approved in the utility's last general rate case, unless a different return is found to be consistent with the public interest;

~~(4)~~ (5) provides a current return on construction work in progress, provided that recovery from Minnesota retail customers for the allowance for funds used during construction is not sought through any other mechanism;

~~(5)~~ (6) allows for recovery of other expenses if shown to promote a least-cost project option or is otherwise in the public interest;

~~(6)~~ (7) allocates project costs appropriately between wholesale and retail customers;

~~(7)~~ (8) provides a mechanism for recovery above cost, if necessary to improve the overall economics of the project or projects or is otherwise in the public interest; and

~~(8)~~ (9) terminates recovery once costs have been fully recovered or have otherwise been reflected in the utility's general rates.

(c) A public utility may file annual rate adjustments to be applied to customer bills paid under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

(1) a description of and context for the facilities included for recovery;

(2) a schedule for implementation of applicable projects;

(3) the utility's costs for these projects;

(4) a description of the utility's efforts to ensure the lowest costs to ratepayers for the project; and

(5) calculations to establish that the rate adjustment is consistent with the terms of the tariff established in paragraph (b).

(d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in paragraph (b), the commission shall approve the annual rate adjustments provided that, after notice and comment, the costs included for recovery through the tariff were or are expected to be prudently incurred and achieve transmission system improvements at the lowest feasible and prudent cost to ratepayers.

Sec. 7. Minnesota Statutes 2012, section 216B.1635, is amended to read:

**216B.1635 RECOVERY OF GAS UTILITY INFRASTRUCTURE COSTS.**

Subdivision 1. **Definitions.** (a) "Gas utility" means a public utility as defined in section 216B.02, subdivision 4, that furnishes natural gas service to retail customers.

(b) "Gas utility infrastructure costs" or "GUIC" means costs incurred in gas utility projects that:

(1) do not serve to increase revenues by directly connecting the infrastructure replacement to new customers;

(2) are in service but were not included in the gas utility's rate base in its most recent general rate case; ~~and, or~~ are planned to be in service during the period covered by the report submitted under subdivision 2, but in no case longer than the one-year forecast period in the report; and

(3) ~~replace or modify existing infrastructure if the replacement or modification does not constitute a betterment, unless the betterment is required by a political subdivision, as evidenced by specific documentation from the government entity requiring the replacement or modification of infrastructure~~ do not constitute a betterment, unless the betterment is based on requirements by a political subdivision or a federal or state agency, as evidenced by specific documentation, an order, or other similar requirement from the government entity requiring the replacement or modification of infrastructure.

(c) "Gas utility projects" means ~~relocation and:~~

(1) ~~replacement of natural gas facilities located in the public right-of-way required by the construction or improvement of a highway, road, street, public building, or other public work by or on behalf of the United States, the state of Minnesota, or a political subdivision; and~~

(2) replacement or modification of existing natural gas facilities, including surveys, assessments, reassessment, and other work necessary to determine the need for replacement or modification of existing infrastructure that is required by a federal or state agency.

Subd. 2. **Gas infrastructure filing.** (a) ~~The commission may approve a gas utility's petition for a rate schedule. A public utility submitting a petition to recover GUIC gas infrastructure costs under this section. A gas utility may must submit to the commission, the department, and interested parties a gas infrastructure project plan report and a petition the commission to recover a rate of return, income taxes on the rate of return, incremental property taxes, plus incremental depreciation expense associated with GUIC for rate recovery of only incremental costs associated with projects under subdivision 1, paragraph (c). The report and petition must be made at least 150 days in advance of implementation of the rate schedule, provided that the rate schedule will not be implemented until the petition is approved by the commission pursuant to subdivision 5. The report must be for a forecast period of one year.~~

(b) ~~The filing is subject to the following:~~

(1) ~~A gas utility may submit a filing under this section no more than once per year.~~

(2) ~~A gas utility must file sufficient information to satisfy the commission regarding the proposed GUIC or be subject to denial by the commission. The information includes, but is not limited to:~~

(i) ~~the government entity ordering the gas utility project and the purpose for which the project is undertaken;~~

(ii) ~~the location, description, and costs associated with the project;~~

~~(iii) a description of the costs, and salvage value, if any, associated with the existing infrastructure replaced or modified as a result of the project;~~

~~(iv) the proposed rate design and an explanation of why the proposed rate design is in the public interest;~~

~~(v) the magnitude and timing of any known future gas utility projects that the utility may seek to recover under this section;~~

~~(vi) the magnitude of GUIC in relation to the gas utility's base revenue as approved by the commission in the gas utility's most recent general rate case, exclusive of gas purchase costs and transportation charges;~~

~~(vii) the magnitude of GUIC in relation to the gas utility's capital expenditures since its most recent general rate case;~~

~~(viii) the amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case; and~~

~~(ix) documentation supporting the calculation of the GUIC.~~

**Subd. 3. Gas infrastructure project plan report.** The gas infrastructure project plan report required to be filed under subdivision 2 shall include all pertinent information and supporting data on each proposed project including, but not limited to, project description and scope, estimated project costs, and the estimated project in-service date.

**Subd. 4. Cost recovery petition for utility's facilities.** Notwithstanding any other provision of this chapter, the commission may approve a rate schedule for the automatic annual adjustment of charges for gas utility infrastructure costs net of revenues under this section, including a rate of return, income taxes on the rate of return, incremental property taxes, incremental depreciation expense, and any incremental operation and maintenance costs. A gas utility's petition for approval of a rate schedule to recover gas utility infrastructure costs outside of a general rate case under section 216B.16 is subject to the following:

(1) a gas utility may submit a filing under this section no more than once per year; and

(2) a gas utility must file sufficient information to satisfy the commission regarding the proposed GUIC. The information includes but is not limited to:

(i) the information required to be included in the gas infrastructure project plan report under subdivision 3;

(ii) the government entity ordering or requiring the gas utility project and the purpose for which the project is undertaken;

(iii) a description of the estimated costs and salvage value, if any, associated with the existing infrastructure replaced or modified as a result of the project;

(iv) a comparison of the utility's estimated costs included in the gas infrastructure project plan and the actual costs incurred, including a description of the utility's efforts to ensure the costs of the facilities are reasonable and prudently incurred;

(v) calculations to establish that the rate adjustment is consistent with the terms of the rate schedule, including the proposed rate design and an explanation of why the proposed rate design is in the public interest;

(vi) the magnitude and timing of any known future gas utility projects that the utility may seek to recover under this section;

(vii) the magnitude of GUIC in relation to the gas utility's base revenue as approved by the commission in the gas utility's most recent general rate case, exclusive of gas purchase costs and transportation charges;

(viii) the magnitude of GUIC in relation to the gas utility's capital expenditures since its most recent general rate case; and

(ix) the amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case.

Subd. 5. **Commission action.** Upon receiving a gas utility report and petition for cost recovery under subdivision 2, the commission may approve the annual GUIC rate adjustments provided that, after notice and comment, the commission determines that the costs included for recovery through the rate schedule are prudently incurred and achieve gas facility improvements at the lowest reasonable and prudent cost to ratepayers.

Subd. 6. **Rate of return.** The return on investment for the rate adjustment shall be at the level approved by the commission in the public utility's most recently completed general rate case, unless the commission determines that a different rate of return is in the public interest.

Subd. 7. **Commission authority; rules.** The commission may issue orders and adopt rules necessary to implement and administer this section.

Sec. 8. Minnesota Statutes 2012, section 216B.164, is amended by adding a subdivision to read:

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

(b) "Aggregated meter" means a meter located on the premises of a customer's owned or leased property that is contiguous with property containing the customer's designated meter.

(c) "Capacity" means the number of megawatts alternating current (AC) at the point of interconnection between a solar photovoltaic device and a utility's electric system.

(d) "Cogeneration" means a combined process whereby electrical and useful thermal energy are produced simultaneously.

(e) "Contiguous property" means property owned or leased by the customer sharing a common border, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way, or utility rights-of-way.

(f) "Customer" means the person who is named on the utility electric bill for the premises.

(g) "Designated meter" means a meter that is physically attached to the customer's facility that the customer-generator designates as the first meter to which net metered credits are to be applied as the primary meter for billing purposes when the customer is serviced by more than one meter.

(h) "Distributed generation" means a facility that:

(1) has a capacity of ten megawatts or less;

(2) is interconnected with a utility's distribution system, over which the commission has jurisdiction; and

(3) generates electricity from natural gas, renewable fuel, or a similarly clean fuel, and may include waste heat, cogeneration, or fuel cell technology.

(i) "High-efficiency distributed generation" means a distributed energy facility that has a minimum efficiency of 40 percent, as calculated under section 272.0211, subdivision 1.

(j) "Net metered facility" means an electric generation facility constructed for the purpose of offsetting energy use through the use of renewable energy or high-efficiency distributed generation sources.

(k) "Renewable energy" has the meaning given in section 216B.2411, subdivision 2.

(l) "Standby charge" means a charge imposed by an electric utility upon a distributed generation facility for the recovery of fixed costs necessary to make electricity service available to the distributed generation facility.

Sec. 9. Minnesota Statutes 2012, section 216B.164, subdivision 3, is amended to read:

Subd. 3. **Purchases; small facilities.** (a) For a qualifying facility having less than 40-kilowatt capacity if interconnected with a cooperative association or municipal utility, or less than a 1,000-kilowatt capacity if interconnected with a public utility, the customer shall be billed for the net energy supplied by the utility according to the applicable rate schedule for sales to that class of customer. In the case of net input into the utility system by a qualifying facility having less than 40-kilowatt capacity if interconnected with a cooperative association or municipal utility, or less than a 1,000-kilowatt capacity if interconnected with a public utility, compensation to the customer shall be at a per kilowatt-hour rate determined under paragraph (b) or (c).

(b) In setting rates, the commission shall consider the fixed distribution costs to the utility not otherwise accounted for in the basic monthly charge and shall ensure that the costs charged to the qualifying facility are not discriminatory in relation to the costs charged to other customers of the utility. The commission shall set the rates for net input into the utility system based on avoided costs as defined in the Code of Federal Regulations, title 18, section 292.101, paragraph (b)(6), the factors listed in Code of Federal Regulations, title 18, section 292.304, and all other relevant factors.

(c) Notwithstanding any provision in this chapter to the contrary, a qualifying facility having less than 40-kilowatt capacity if interconnected with a cooperative association or municipal utility, or less than a 1,000-kilowatt capacity if interconnected with a public utility, may elect that the compensation for net input by the qualifying facility into the utility system shall be at the average retail utility energy rate. "Average retail utility energy rate" is defined as the average of the retail energy rates, exclusive of special rates based on income, age, or energy conservation, according to the applicable rate schedule of the utility for sales to that class of customer.

(d) If the qualifying facility is interconnected with a nongenerating utility which has a sole source contract with a municipal power agency or a generation and transmission utility, the nongenerating utility may elect to treat its purchase of any net input under this subdivision as being made on behalf of its supplier and shall be reimbursed by its supplier for any additional costs incurred in making the purchase. Qualifying facilities having less than 40-kilowatt capacity if interconnected with a cooperative association or municipal utility, or less than a 1,000-kilowatt capacity if interconnected with a public utility, may, at the customer's option, elect to be governed by the provisions of subdivision 4.

Sec. 10. Minnesota Statutes 2012, section 216B.164, subdivision 4, is amended to read:

Subd. 4. **Purchases; wheeling; costs.** (a) Except as otherwise provided in paragraph (c), this subdivision shall apply to all qualifying facilities having 40-kilowatt capacity or more if interconnected with a cooperative association or municipal utility, and a 1,000-kilowatt capacity or more if interconnected with a public utility, as well as qualifying facilities as defined in subdivision 3 which elect to be governed by its provisions.

(b) The utility to which the qualifying facility is interconnected shall purchase all energy and capacity made available by the qualifying facility. The qualifying facility shall be paid the utility's full avoided capacity and energy costs as negotiated by the parties, as set by the commission, or as determined through competitive bidding approved by the commission. The full avoided capacity and energy costs to be paid a qualifying facility that generates electric power by means of a renewable energy source are the utility's least cost renewable energy facility or the bid of a competing supplier of a least cost renewable energy facility, whichever is lower, unless the commission's resource plan order, under section 216B.2422, subdivision 2, provides that the use of a renewable resource to meet the identified capacity need is not in the public interest.

(c) For all qualifying facilities having 30-kilowatt capacity or more, the utility shall, at the qualifying facility's or the utility's request, provide wheeling or exchange agreements wherever practicable to sell the qualifying facility's output to any other Minnesota utility having generation expansion anticipated or planned for the ensuing ten years. The commission shall establish the methods and procedures to insure that except for reasonable wheeling charges and line losses, the qualifying facility receives the full avoided energy and capacity costs of the utility ultimately receiving the output.

(d) The commission shall set rates for electricity generated by renewable energy.

Sec. 11. Minnesota Statutes 2012, section 216B.164, is amended by adding a subdivision to read:

Subd. 4a. **Aggregation of meters.** (a) For the purpose of measuring electricity under subdivision 3, a public utility must aggregate for billing purposes a customer's designated meter with one or more aggregated meters if a customer requests that it do so. Any aggregation of meters must be governed under this section.

(b) A customer must give at least 60 days' notice to the public utility prior to a request that additional meters be included in meter aggregation. The specific meters must be identified at the time of the request. In the event that more than one meter is identified, the customer must designate the rank order for the aggregated meters to which the net metered credits are to be applied. At least 60 days prior to the beginning of the next annual billing period, a customer may amend the rank order of the aggregated meters, subject to the provisions of this subdivision.

(c) The aggregation of meters applies only to charges that use kilowatt-hours as the billing determinant. All other charges applicable to each meter account must be billed to the customer.

(d) If the net metered facility supplies more electricity to the public utility than the energy usage recorded by the customer's designated and aggregated meters during a monthly billing period, the public utility must apply credits to the customer's next monthly bill for the excess kilowatt-hours. The public utility must first apply the kilowatt-hour credit to the charges for the designated meter and then to the charges for the aggregated meters in the rank order specified by the customer.

(e) With the commission's prior approval, a public utility may charge a customer requesting to aggregate meters a reasonable fee to cover the administrative costs incurred as a result of implementing the provisions of this subdivision, pursuant to a tariff approved by the commission.

Sec. 12. Minnesota Statutes 2012, section 216B.164, is amended by adding a subdivision to read:

Subd. 4b. **Limiting cumulative generation prohibited.** The commission is prohibited from limiting the cumulative generation of qualifying facilities under subdivision 3 to less than five percent of a public utility's average annual retail electricity sales as measured over the previous three calendar years. After the cumulative limit of five percent has been reached, a public utility's obligation to offer net metering to additional customers may be limited by the commission if it determines doing so is in the public interest. The commission may limit additional net metering obligations under this subdivision only after providing notice and opportunity for public comment. In determining whether to limit additional net metering obligations under this subdivision, the commission shall consider:

- (1) the environmental and other public policy benefits of net metered facilities;
- (2) the impact of net metered facilities on electricity rates for customers without net metered systems;
- (3) the effects of net metering on the reliability of the electric system;
- (4) technical advances or technical concerns; and
- (5) other statutory obligations imposed on the commission or on a utility.

The commission may limit additional net metering obligations under clauses (2) to (4) only if it determines that additional net metering obligations would cause significant rate impact, require significant measures to address reliability, or raise significant technical issues.

Sec. 13. Minnesota Statutes 2012, section 216B.164, subdivision 6, is amended to read:

Subd. 6. **Rules and uniform contract.** (a) The commission shall promulgate rules to implement the provisions of this section. The commission shall also establish a uniform statewide form of contract for use between utilities and a qualifying facility having less than ~~40-kilowatt~~ 1,000-kilowatt capacity.

(b) The commission shall require the qualifying facility to provide the utility with reasonable access to the premises and equipment of the qualifying facility if the particular configuration of the qualifying facility precludes disconnection or testing of the qualifying facility from the utility side of the interconnection with the utility remaining responsible for its personnel.

(c) The uniform statewide form of contract shall be applied to all new and existing interconnections established between a utility and a qualifying facility having less than ~~40-kilowatt~~ 1,000-kilowatt capacity, except that existing contracts may remain in force until written notice of election that the uniform statewide contract form applies is given by either party to the other, with the notice being of the shortest time period permitted under the existing contract for termination of the existing contract by either party, but not less than ten nor longer than 30 days.

Sec. 14. Minnesota Statutes 2012, section 216B.164, is amended by adding a subdivision to read:

Subd. 10. **Energy for public buildings.** (a) All the provisions of this section that apply to a qualifying facility with a capacity of less than one megawatt shall apply to a wind energy conversion system with a capacity of up to 3.5 megawatts or an energy storage device storing energy generated by a wind energy conversion system that provides energy to a public building.

(b) For the purposes of this subdivision:

(1) "energy storage device" means a device capable of storing up to 3.5 megawatt-hours of previously generated energy and releasing that energy for use at a later time; and

(2) "public building" means a building or facility financed wholly or in part with public funds, including facilities financed by the Public Facilities Authority.

Sec. 15. **[216B.1641] VALUE OF SOLAR RATE.**

Subdivision 1. **Definition.** For the purposes of this section, "solar photovoltaic device" has the meaning given in section 216C.06, subdivision 16, and must meet the requirements of section 216C.25.

Subd. 2. **Applicability.** (a) Beginning January 1, 2014, this section shall apply to public utilities selling electricity at retail in Minnesota.

(b) Notwithstanding section 216B.164, an owner of a solar photovoltaic device may, with respect to the purchase price credited by a utility to an owner of a solar photovoltaic device, elect to be governed under this section or section 216B.164. All other provisions of section 216B.164, except those in subdivision 3 and subdivision 4, paragraphs (a) to (c), shall apply to an owner of a solar photovoltaic device electing to be governed under this section.

(c) This section does not apply to a utility that owns a solar photovoltaic device.

(d) An owner of a solar photovoltaic device governed under the net metering provisions of section 216B.164 prior to the effective date of the commission order issued under subdivision 9 and who elects to be governed under this section with respect to the purchase price credited by a utility must provide written notice of that election to the utility. The utility shall begin crediting the value of solar rate most recently approved by the commission to the owner of the solar photovoltaic device on the first day of the first month that begins at least 30 days after receipt of the notice.

(e) This section does not apply to a solar photovoltaic device whose capacity exceeds two megawatts.

Subd. 3. **Standby charge prohibited.** A utility may not apply a standby charge to a solar photovoltaic device governed under this section.

Subd. 4. **Standard contract.** The commission shall establish a statewide uniform form of contract that must be used by a purchasing utility and an owner of a solar photovoltaic device who elects to be governed under this section. The term of a contract entered into under this section must be no less than 20 years. The agreement must provide for credit of the value of solar rate as approved by the commission under this section, and must require the transfer of all renewable energy credits associated with the energy generated by the solar photovoltaic device to the purchasing utility.

Subd. 5. **Credits.** The utility interconnected to a solar photovoltaic device whose owner elects to be governed under this section shall purchase, throughout the term of the contract, all energy and capacity made available by the owner of the solar photovoltaic device. All credits must be made at the value of solar rate approved by the commission under this section.

Subd. 6. **Value of solar rate; guidance document.** (a) By December 1, 2013, and each December 1 thereafter through 2048, the Department of Commerce shall develop a value of solar guidance document that contains step-by-step procedures that a utility subject to this section must use to calculate the utility's value of solar rate. The guidance document must specify a method a utility must use to calculate the value of all the components listed in paragraph (b), and may include formulas, discount rates, and other provisions governing how the value of solar rate must be calculated.

(b) The value of solar rate is expressed on a per kilowatt-hour basis, and consists of the following components:

(1) line loss savings equal to the value of the average amount of electricity lost through transmission and distribution when electricity is generated by the utility's nonsolar photovoltaic generators;

(2) transmission and distribution capacity savings equal to the value of delaying the need for capital investment in a utility's transmission and distribution system by contracting to purchase energy from solar photovoltaic devices;

(3) energy savings equal to the reduction in a utility's wholesale energy purchases and costs, based on the time of day the energy would have been generated, realized as a result of energy purchases from solar photovoltaic devices;

(4) generation capacity savings equal to the value of the benefit of the capacity added to the utility's system by solar photovoltaic devices;

(5) fuel price hedge value equal to the value of eliminating price uncertainty associated with the utility's purchases of fuel for electricity generation; and

(6) environmental benefits equal to the premium retail customers are willing to pay to consume energy produced from renewable resources.

(c) The department may, based on known and measurable evidence of the economic development benefits of solar electricity generation, including the net increase in local employment and taxes generated from the manufacture, assembly, installation, operation, and maintenance of solar photovoltaic devices, or other factors, incorporate additional amounts into the value of solar rate.

(d) The value of solar rate is equal to the present value of the future revenue streams of the value components calculated in paragraphs (b) and (c) over the useful life of a solar photovoltaic device.

(e) Prior to preparing the value of solar guidance document, the Department of Commerce shall obtain comments and recommendations from utilities, ratepayers, and other interested parties regarding the content of the value of solar guidance document.

(f) By January 1, 2015, and every January 1 thereafter through 2049, the commissioner shall make a determination as to whether the value of solar guidance document developed under this subdivision needs to be revised. In making that determination, the commissioner shall solicit comments and recommendations from interested parties in the same manner as required under paragraph (e). After considering the comments and recommendations, the commissioner may revise the value of solar guidance document.

**Subd. 7. Utilities to offer tariff.** By April 1, 2014, and each April 1 thereafter through 2049, a utility subject to this section shall file with the commission a value of solar tariff based on its calculation of the utility's value of solar rate that is consistent with the department's value of solar guidance document developed in subdivision 6. A utility must include in its filing its method of calculation for each component listed in subdivision 6, paragraph (b). A utility filing a value of solar rate that differs from the value of solar rate filed by the utility for the previous year shall submit to the commission the reasons for and the methods it used to calculate the differences.

**Subd. 8. Value of solar rate; billing.** Notwithstanding section 216B.164, an owner of a solar photovoltaic device who elects to receive the value of solar rate for electricity generated by the solar photovoltaic device that is sold to a utility must be:

(1) charged by the utility the applicable rate schedule for sales to that class of customer for all electricity consumed by the customer;

(2) credited the value of solar rate by the utility for all electricity generated by the solar photovoltaic device;

(3) provided by the utility with a monthly bill that contains, in addition to the amounts in clauses (1) and (2), the net amount owed to the utility or net credit realized by the owner for that month and on a year-to-date basis. In the event that the customer has a positive balance after the 12-month cycle ending on the last day of February, that balance will be eliminated and the credit cycle will restart the following billing period beginning March 1; and

(4) provided by the utility with a meter that allows for the separate calculation of the amount of electricity consumed and generated at the property.

Subd. 9. **Commission review; approval.** (a) By July 1, 2014, and each July 1 thereafter through 2049, the commission shall review the filing submitted under subdivision 7 and any comments on the filing made by the department or other interested parties, and approve or modify each utility's value of solar tariff. The commission may, at its discretion, solicit additional comments, information, and recommendations from utilities, the department, and other interested parties.

(b) By July 1, 2014, and each January 1 thereafter through 2049, the commission shall, by order, direct all electric utilities subject to this section to begin crediting the value of solar rate most recently approved by the commission to:

(1) owners of solar photovoltaic devices who sign a standard contract under this section on or after the first day of the first month following the effective date of the order; and

(2) owners of solar photovoltaic devices who were governed under the net metering provisions of section 216B.164 prior to the effective date of the order and who elect to be governed under this section with respect to the purchase price credited by a utility by complying with the provisions of subdivision 2, paragraph (d).

(c) In no case shall the commission approve a value of solar rate under this section that is lower than the applicable retail rate of the subject utility.

Sec. 16. **[216B.1651] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 216B.1651 to 216B.1654, the following definitions have the meanings given.

Subd. 2. **Community solar generating facility.** "Community solar generating facility" means a facility:

(1) that generates electricity by means of a solar photovoltaic device that has a capacity of less than two megawatts direct current nameplate;

(2) that is interconnected with a utility's distribution system under the jurisdiction of the commission;

(3) that is located in the electric service area of the utility with which it is interconnected;

(4) whose subscribers purchase, under long-term contract with the community solar generating facility, the right to consume the electricity generated from a specified portion of the facility's generating capacity;

(5) that is not owned by a utility; and

(6) that has at least two subscribers.

Subd. 3. **Facility manager.** "Facility manager" means an entity that manages a community solar generating facility for the benefit of subscribers and may, in addition, develop, construct, own, or operate the community solar generating facility. A facility manager may not be a utility, but may be:

(1) a person whose sole purpose is to beneficially own and operate a community solar generating facility;

(2) a Minnesota nonprofit corporation organized under chapter 317A;

(3) a Minnesota cooperative association organized under chapter 308A or 308B;

(4) a Minnesota political subdivision or local government, including but not limited to a county, statutory or home rule charter city, town, school district, public or private higher education institution, or any other local or regional governmental organization such as a board, commission, or association; or

(5) a tribal council.

Subd. 4. **Renewable energy credit.** "Renewable energy credit" has the meaning given in section 216B.1691, subdivision 1, paragraph (d).

Subd. 5. **Solar photovoltaic device.** "Solar photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

Subd. 6. **Subscriber.** "Subscriber" means a retail customer of a utility who owns one or more subscriptions of a community solar generating facility interconnected with that utility. A facility manager may be a subscriber.

Subd. 7. **Subscription.** "Subscription" means a contract between a subscriber and a community solar generating facility that has a term of no less than 20 years and that provides to the subscriber a portion of the generation of the community solar generating facility and a corresponding proportion of the electricity generated by the community solar generating facility.

Subd. 8. **Utility.** "Utility" means a public utility as defined in section 216B.02, subdivision 4.

Sec. 17. **[216B.1652] SUBSCRIPTIONS.**

Subdivision 1. **Presale of subscriptions.** A community solar generating facility may not commence construction of the facility until contracts have been executed for subscriptions, excluding the subscription of the facility manager, that represent at least 80 percent of the proposed nameplate capacity of the community solar generating facility.

Subd. 2. **Size.** (a) A subscription must be a portion of the community solar generating facility's nameplate capacity sized so as to produce no more than 120 percent of the annual average amount of electricity consumed over the previous three years at the site where the subscriber's meter is located. If the site is newly constructed, the subscription must be sized based on 120 percent of the average annual amount of electricity consumed by a facility of similar size and type in the utility's service area, as determined by the facility manager.

(b) A subscriber may not own one or more subscriptions whose total capacity exceeds the maximum capacity allowed for a qualifying facility subject to section 216B.164, subdivision 3.

(c) A facility manager may not own subscriptions whose total capacity exceeds the maximum subscription size allowed under paragraph (a) plus ten percent of the remaining available nameplate capacity in the community solar generating facility, subject to the limit in paragraph (b).

(d) The maximum subscription size for a subscriber consuming electricity generated from an eligible energy technology, as defined in section 216B.1691, subdivision 1, at any time during the term of the subscriber's subscription, is the maximum subscription size allowed under paragraph (a) minus the nameplate capacity of the eligible energy technology device providing electricity to the subscriber, subject to the limit in paragraph (b).

Subd. 3. **Certification.** Prior to the sale of a subscription, a facility manager must provide certification to the subscriber signed by the facility manager under penalty of perjury:

(1) identifying the rate of insolation at the community solar generating facility;

(2) certifying that the solar photovoltaic devices employed by the community solar generating facility to generate electricity have an electrical energy degradation rate of no more than 0.5 percent annually; and

(3) certifying that the community solar generating facility is in full compliance with all applicable federal and state utility, securities, and tax laws.

Subd. 4. **On-site subscriber.** A subscriber who owns the property on which a community solar generating facility is located has no more rights with respect to subscription size or price than any other subscriber.

Subd. 5. **Subscription prices.** The price for a subscription to a community solar generating facility is not subject to regulation by the commission and is negotiated between the prospective subscriber and the facility manager.

Subd. 6. **Subscription transfer.** A subscriber that terminates the contract between the subscriber and the community solar generating facility must transfer the subscription to a person eligible to be a subscriber or to the facility manager at a price negotiated by both parties.

Subd. 7. **New subscribers.** Within 30 days of the execution of a contract between the community solar generating facility and a new subscriber, the facility manager shall submit the following information to the utility serving the community solar generating facility:

(1) the new subscriber's name, address, number of meters, and utility customer account; and

(2) the share of the community solar generating facility's nameplate capacity owned by the new subscriber.

Subd. 8. **Meter change.** A subscriber that moves to a different property served by the community solar generating facility from the property at which the subscriber resided at the time the contract between the subscriber and the community solar generating facility was executed, or that changes the number of meters attached to the subscriber's account, must notify the facility manager within 30 days of the change.

Subd. 9. **Renewable energy credits.** (a) Notwithstanding any other law, a subscriber owns the renewable energy credits associated with the electricity allocated to the subscriber's subscription. A utility or facility manager may purchase renewable energy credits under a contract with a subscriber.

(b) Renewable energy credits may not be assigned to a utility as a condition of entering into a contract or an interconnection agreement with a community solar generating facility.

Subd. 10. **Disputes.** The dispute resolution provisions available under section 216B.164 shall be used to resolve disputes between a facility manager and the utility serving the community solar generating facility.

Sec. 18. **[216B.1653] DISPOSITION OF ELECTRICITY GENERATED.**

Subdivision 1. **Allocation.** (a) The total amount of electricity available for allocation to all subscribers of a community solar generating facility shall be determined by a production meter installed by the utility.

(b) The total amount of electricity available to a subscriber shall be the total amount of electricity available for allocation to all subscribers of a community solar generating facility prorated by a subscriber's subscription size in relation to the nameplate capacity of the community solar generating facility.

(c) A subscriber may not resell electricity governed by the subscriber's contract with a community solar generating facility.

(d) All electricity generated by a community solar generating facility that is not allocated to or consumed by subscribers must be sold to the utility interconnected with the community solar generating facility.

Subd. 2. **Utility purchases.** The utility to which the community solar generating facility is interconnected shall purchase all electricity generated by the community solar generating facility that is not consumed by subscribers. The price paid to the community solar generating facility by the utility is governed by section 216B.164 or any law that governs the price a utility must pay to purchase electricity from a solar photovoltaic device.

Subd. 3. **Interconnection.** The commission shall establish uniform fees for the interconnection of a community solar generating facility with a utility.

Subd. 4. **Nonutility status.** Notwithstanding section 216B.02, a community solar generating facility is not a public utility.

Sec. 19. **[216B.1654] BILLING.**

Subdivision 1. **Billing procedure.** A subscriber to a community solar generating facility must be:

(1) charged by the utility interconnected with the community solar generating facility the utility's applicable rate schedule for sales to that class of customer for all electricity consumed by the subscriber;

(2) paid by the utility the maximum rate allowable under section 216B.164, or any other law that may govern the price a utility must pay to purchase electricity from a solar photovoltaic device, for a portion of all electricity the utility purchases from the community solar generating facility that is equal to the ratio of the subscriber's subscription to the nameplate capacity of the community solar generating facility;

(3) provided by the utility with a monthly bill that contains, in addition to the amounts in clauses (1) and (2), the net amount owed to the utility or net credit realized by the owner for that month and on a year-to-date basis; and

(4) provided by the utility with a meter that allows for the separate calculation of the amount of electricity consumed and generated at the property.

Subd. 2. **Billing system.** The commission shall, by January 1, 2014, establish a uniform administrative system to credit the utility accounts of subscribers to a community solar generating facility. In determining the uniform administrative system, the commission shall solicit comments and recommendations from utilities, ratepayers, and other interested parties, and shall review commercially available administrative systems and administrative systems used in jurisdictions where entities similar to community solar generating facilities are operating.

Subd. 3. **Commission proceeding; rate adjustment.** By September 1, 2014, the commission shall initiate a proceeding to examine whether the rate paid by a utility to purchase energy from a community solar generating facility under section 216B.1653, subdivision 2, should be adjusted to reflect the actual fixed costs incurred by a utility to provide service to a community solar generating facility.

Sec. 20. Minnesota Statutes 2012, 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.

(d) "Renewable energy credit" means a certificate of proof, issued through the accounting system approved by the commission under subdivision 4, attesting that one unit of electricity was generated and delivered by an eligible energy technology, and including all renewable and environmental attributes associated with the production of electricity from the eligible energy technology.

Sec. 21. Minnesota Statutes 2012, section 216B.1691, subdivision 2a, is amended to read:

Subd. 2a. **Eligible energy technology standard.** (a) Except as provided in paragraph (b), each electric utility shall generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that at least the following standard percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated:

- |     |      |             |
|-----|------|-------------|
| (1) | 2012 | 12 percent  |
| (2) | 2016 | 17 percent  |
| (3) | 2020 | 20 percent  |
| (4) | 2025 | 25 percent. |

(b) An electric utility that owned a nuclear generating facility as of January 1, 2007, must meet the requirements of this paragraph rather than paragraph (a). An electric utility subject to this paragraph must generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota or the retail customer of a distribution utility to which the electric utility provides wholesale electric service so that at least the following percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated:

- |     |      |             |
|-----|------|-------------|
| (1) | 2010 | 15 percent  |
| (2) | 2012 | 18 percent  |
| (3) | 2016 | 25 percent  |
| (4) | 2020 | 30 percent. |

Of the 30 percent in 2020, at least 25 percent must be generated by solar energy or wind energy conversion systems and the remaining five percent by other eligible energy technology. Of the 25 percent that must be generated by wind or solar, no more than one percent may be solar generated and the remaining 24 percent or greater must be wind generated.

(c) By the end of 2030, each public utility shall generate or procure sufficient electricity generated by an eligible energy technology to provide at least 40 percent of the public utility's total retail electric sales to retail customers in Minnesota.

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

Sec. 22. Minnesota Statutes 2012, section 216B.1691, subdivision 2e, is amended 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 this section. In consultation with the Department of Commerce, the commission shall determine a uniform reporting system to ensure that individual utility reports are consistent and comparable, and shall, by order, require each electric utility subject to this section to use that reporting system. 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 May 28, 2011. 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).

Sec. 23. Minnesota Statutes 2012, section 216B.1691, is amended by adding a subdivision to read:

**Subd. 2f. Solar energy standard.** (a) In addition to the requirements of subdivision 2a, each public utility shall generate or procure sufficient electricity generated by solar energy to serve its retail electricity customers in Minnesota so that at least the following standard percentages of the utility's total retail electric sales to retail customers in Minnesota are generated by solar energy by the end of the year indicated:

<u>(1)</u>	<u>2016</u>	<u>0.5 percent</u>
<u>(2)</u>	<u>2020</u>	<u>2.0 percent</u>
<u>(3)</u>	<u>2025</u>	<u>4.0 percent</u>

(b) The solar energy standard established in this subdivision is subject to all the provisions of this section governing a utility's standard obligation under subdivision 2a.

(c) It is an energy goal of the state of Minnesota that by 2030, ten percent of the retail electric sales in Minnesota be generated by solar energy.

Sec. 24. Minnesota Statutes 2012, section 216B.1692, subdivision 1, is amended to read:

Subdivision 1. **Qualifying projects.** (a) Projects that may be approved for the emissions reduction-rate rider allowed in this section must:

(1) be installed on existing large electric generating power plants, as defined in section 216B.2421, subdivision 2, clause (1), that are located in the state and that are currently not subject to emissions limitations for new power plants under the federal Clean Air Act, United States Code, title 42, section 7401 et seq.;

(2) not increase the capacity of the existing electric generating power plant more than ten percent or more than 100 megawatts, whichever is greater; and

(3) result in the existing plant either:

(i) complying with applicable new source review standards under the federal Clean Air Act; or

(ii) emitting air contaminants at levels substantially lower than allowed for new facilities by the applicable new source performance standards under the federal Clean Air Act; or

(iii) reducing emissions from current levels at a unit to the lowest cost-effective level when, due to the age or condition of the generating unit, the public utility demonstrates that it would not be cost-effective to reduce emissions to the levels in item (i) or (ii).

(b) Notwithstanding paragraph (a), a project may be approved for the emission reduction rate rider allowed in this section if the project is to be installed on existing large electric generating power plants, as defined in section 216B.2421, subdivision 2, clause (1), that are located outside the state and are needed to comply with state or federal air quality standards, but only if the project has received an advance determination of prudence from the commission under section 216B.1695.

Sec. 25. Minnesota Statutes 2012, section 216B.1692, is amended by adding a subdivision to read:

Subd. 1a. **Exemption.** Subdivisions 2, 4, and 5, paragraph (c), clause (1), do not apply to projects qualifying under subdivision 1, paragraph (b).

Sec. 26. Minnesota Statutes 2012, section 216B.1692, subdivision 8, is amended to read:

Subd. 8. **Sunset.** This section is effective until December 31, ~~2015~~ 2020, and applies to plans, projects, and riders approved before that date and modifications made to them after that date.

Sec. 27. Minnesota Statutes 2012, section 216B.1695, subdivision 5, is amended to read:

Subd. 5. **Cost recovery.** The utility may begin recovery of costs that have been incurred by the utility in connection with implementation of the project in the next rate case following an advance determination of prudence or in a rider approved under section 216B.1692. The commission shall review the costs incurred by the utility for the project. The utility must show that the project costs are reasonable and necessary, and demonstrate its efforts to ensure the lowest reasonable project costs. Notwithstanding the commission's prior determination of prudence, it may accept, modify, or reject any of the project costs. The commission may determine whether to require an allowance for funds used during construction offset.

Sec. 28. Minnesota Statutes 2012, section 216B.1695, is amended by adding a subdivision to read:

Subd. 5a. **Rate of return.** The return on investment in the rider shall be at the level approved by the commission in the public utility's most recently completed general rate case, unless the commission determines that a different rate of return is in the public interest.

Sec. 29. Minnesota Statutes 2012, section 216B.23, subdivision 1a, is amended to read:

Subd. 1a. **Authority to issue refund.** (a) On determining that a public utility has charged a rate in violation of this chapter, a commission rule, or a commission order, the commission, after conducting a proceeding, may require the public utility to refund to its customers, in a manner approved by the commission, any revenues the commission finds were collected as a result of the unlawful conduct. Any refund authorized by this section is permitted in addition to any remedies authorized by section 216B.16 or any other law governing rates. Exercising authority under this section does not preclude the commission from pursuing penalties under sections 216B.57 to 216B.61 for the same conduct.

(b) This section must not be construed as allowing:

(1) retroactive ratemaking;

(2) refunds based on claims that prior or current approved rates have been unjust, unreasonable, unreasonably preferential, discriminatory, insufficient, inequitable, or inconsistent in application to a class of customers; or

(3) refunds based on claims that approved rates have not encouraged energy conservation or renewable energy use, or have not furthered the goals of section 216B.164, 216B.241, ~~or 216C.05~~, or 216C.412.

(c) A refund under this subdivision does not apply to revenues collected more than six years before the date of the notice of the commission proceeding required under this subdivision.

Sec. 30. Minnesota Statutes 2012, section 216B.241, subdivision 1e, is amended to read:

Subd. 1e. **Applied research and development grants.** (a) The commissioner may, by order, approve and make grants for applied research and development projects of general applicability that identify new technologies or strategies to maximize energy savings, improve the effectiveness of energy conservation programs, or document the carbon dioxide reductions from energy conservation programs. When approving projects, the commissioner shall consider proposals and comments from utilities and other interested parties. The commissioner may assess up to \$3,600,000 annually for the purposes of this subdivision. The assessments must be deposited in the state treasury and credited to the energy and conservation account created under subdivision 2a. An assessment made under this subdivision is not subject to the cap on assessments provided by section 216B.62, or any other law.

(b) The commissioner, as part of the assessment authorized under paragraph (a), shall annually assess and grant up to \$500,000 for the purpose of subdivision 9.

(c) The commissioner, as part of the assessment authorized under paragraph (a), shall annually assess \$500,000 per fiscal year for a grant to the partnership created in section 216C.385, subdivision 2. The grant must be used to exercise the powers and perform the duties specified in section 216C.385, subdivision 3.

(d) By February 15, 2014, and each February 15 thereafter, the commissioner shall report to the chairs and ranking minority members of the committees of the legislature with primary jurisdiction over energy policy and energy finance on the assessments made under this subdivision for the previous calendar year and the use of the assessment. The report must clearly describe the activities supported by the assessment and the parties that engaged in those activities.

Sec. 31. Minnesota Statutes 2012, section 216B.241, subdivision 5c, is amended to read:

Subd. 5c. **Large solar electric generating plant.** (a) For the purpose of this subdivision:

(1) "project" means a solar electric generation project consisting of arrays of solar photovoltaic cells with a capacity of up to two megawatts located on the site of a closed landfill in Olmsted County owned by the Minnesota Pollution Control Agency; and

(2) "cooperative electric association" means a generation and transmission cooperative electric association that has a member distribution cooperative association to which it provides wholesale electric service in whose service territory a project is located.

(b) A cooperative electric association may elect to count all of its purchases of electric energy from a project toward only one of the following:

(1) its energy-savings goal under subdivision 1c; or

(2) its ~~energy objective or~~ solar energy standard under section 216B.1691, subdivision 2f.

(c) A cooperative electric association may include in its conservation plan purchases of electric energy from a project. The cost-effectiveness of project purchases may be determined by a different standard than for other energy conservation improvements under this section if the commissioner determines that doing so is in the public interest in order to encourage solar energy. The kilowatt hours of solar energy purchased by a cooperative electric association from a project may count for up to 33 percent of its one percent savings goal under subdivision 1c or up to 22 percent of its 1.5 percent savings goal under that subdivision. Expenditures made by a cooperative association for the purchase of energy from a project may not be used to meet the revenue expenditure requirements of subdivisions 1a and 1b.

Sec. 32. Minnesota Statutes 2012, section 216B.2411, subdivision 3, is amended to read:

Subd. 3. **Other provisions.** (a) Electricity generated by a facility constructed with funds provided under this section and using an eligible renewable energy source may be counted toward the renewable energy objectives in section 216B.1691, subject to the provisions of that section, except as provided in paragraph (c).

(b) Two or more entities may pool resources under this section to provide assistance jointly to proposed eligible renewable energy projects. The entities shall negotiate and agree among themselves for allocation of benefits associated with a project, such as the ability to count energy generated by a project toward a utility's renewable energy objectives under section 216B.1691, except as provided in paragraph (c). The entities shall provide a summary of the allocation of benefits to the commissioner. A utility may spend funds under this section for projects in Minnesota that are outside the service territory of the utility.

(c) Electricity generated by a solar photovoltaic device constructed with funds provided under this section may be counted toward a public utility's solar energy standard under section 216B.1691, subdivision 2f.

Sec. 33. Minnesota Statutes 2012, section 216B.40, is amended to read:

**216B.40 EXCLUSIVE SERVICE RIGHT; SERVICE EXTENSION.**

Except as provided in sections 216B.42 and 216B.421, each electric utility shall have the exclusive right to provide electric service by electric line at retail to each and every present and future customer in its assigned service area and no electric utility shall render or extend electric service at retail within the assigned service area of another

electric utility unless the electric utility consents thereto in writing; provided that any electric utility may extend its facilities through the assigned service area of another electric utility if the extension is necessary to facilitate the electric utility connecting its facilities or customers within its own assigned service area.

Sec. 34. **[216C.412] SOLAR ENERGY PRODUCTION INCENTIVE.**

**Subdivision 1. Applicability.** A public utility providing retail electric service to Minnesota customers is subject to the provisions of this section.

**Subd. 2. Incentive payment.** (a) Incentive payments may be made under this section only to an owner of a solar photovoltaic device who has:

(1) submitted to the public utility to which the solar photovoltaic device is interconnected, on a form prescribed by the public utility, an application to receive the incentive; and

(2) received from the public utility in writing a determination that the solar photovoltaic device qualifies for the incentive.

(b) A public utility shall make incentive payments under this section on a first-come, first-served basis. A public utility is not required to make aggregate incentive payments under this section in any one calendar year that exceed 1.33 percent of the public utility's gross operating revenues from retail sales of electric service provided to Minnesota customers during the previous calendar year.

(c) A public utility that owns a solar photovoltaic device is not eligible to receive incentive payments under this section.

(d) A solar photovoltaic device whose capacity exceeds two megawatts is ineligible to receive incentive payments under this section.

**Subd. 3. Eligibility window; payment duration.** (a) Payments may be made under this section only for electricity generated from a solar photovoltaic device that first begins generating electricity after January 1, 2014, through December 31, 2049.

(b) Payment of the incentive begins and runs consecutively from the date the solar photovoltaic device begins generating electricity.

(c) A public utility paying an incentive under this section must enter into a contract with an owner of a solar photovoltaic system under which the public utility agrees to make incentive payments for a period of 20 years.

(d) No payment may be made under this section for electricity generated after December 31, 2049.

**Subd. 4. Amount of payment.** (a) An incentive payment is based on the number of kilowatt hours of electricity generated. The per-kilowatt-hour amount of the payment for each category of qualified solar photovoltaic device listed below is equal to the applicable reference price specified in this subdivision minus:

(1) the value of solar rate approved by the commissioner under section 216B.1641, for owners of solar photovoltaic devices that have elected to have the public utility's purchase price for electricity governed by that section; or

(2) the rate a public utility pays an owner of a solar photovoltaic device for excess electricity generation under section 216B.164, for owners of solar photovoltaic devices that have elected to have the public utility's purchase price for electricity governed by that section.

<u>Nameplate Capacity</u>	<u>Reference Price</u>
<u>Residential</u>	<u>20.4 cents per kilowatt-hour</u>
<u>Nonresidential:</u>	
<u>Under 25 kilowatts</u>	<u>18.1 cents per kilowatt-hour</u>
<u>Rooftop, 25 kilowatts to 2 megawatts</u>	<u>15.9 cents per kilowatt-hour</u>
<u>Ground-mounted, 25 kilowatts to 2 megawatts</u>	<u>13.6 cents per kilowatt-hour</u>

(b) By January 1, 2015, and every January 1 thereafter through 2049, the commissioner shall make a determination as to whether the reference price needs to be adjusted in order to achieve the solar energy standard established in section 216B.1691, subdivision 2f, at the lowest level of incentive payments. In making the determination, the commissioner shall solicit comments and recommendations from public utilities, ratepayers, and other interested parties regarding the calculation of the reference price. After considering the comments and recommendations, the commissioner may adjust the reference price.

(c) For the purposes of this subdivision, "reference price" means the lowest per-kilowatt price for electricity generated by a qualified solar photovoltaic system the commissioner determines is sufficient to provide an economic incentive that will result in the development of aggregate capacity in this state to meet the solar energy standard established in section 216B.1691, subdivision 2f.

Subd. 5. **Dispute resolution.** Disputes between an owner of a solar photovoltaic device and a public utility paying an incentive under this section shall be resolved by the commissioner of commerce.

Sec. 35. **[216C.413] DEFINITIONS.**

For the purposes of sections 216C.412 to 216C.417, the following terms have the meanings given.

(a) "Made in Minnesota" means the manufacture in this state of solar photovoltaic modules:

(1) at a manufacturing facility located in Minnesota that is registered and authorized to manufacture and apply the UL 1703 certification mark to solar photovoltaic modules by Underwriters Laboratory (UL), CSA International, Intertek, or an equivalent UL-approved independent certification agency;

(2) that bear UL 1703 certification marks from UL, CSA International, Intertek, or an equivalent UL-approved independent certification agency, which must be physically applied to the modules at a manufacturing facility described in clause (1); and

(3) that are manufactured in Minnesota:

(i) by manufacturing processes that must include tabbing, stringing, and lamination; or

(ii) by interconnecting low-voltage direct current photovoltaic elements that produce the final useful photovoltaic output of the modules.

A solar photovoltaic module that is manufactured by attaching microinverters, direct current optimizers, or other power electronics to a laminate or solar photovoltaic module that has received UL 1703 certification marks outside Minnesota from UL, CSA International, Intertek, or an equivalent UL-approved independent certification agency is not "Made in Minnesota" under this paragraph.

(b) "Solar photovoltaic module" has the meaning given in section 116C.7791, subdivision 1, paragraph (e).

Sec. 36. **[216C.414] "MADE IN MINNESOTA" PRODUCTION INCENTIVE ACCOUNT.**

Subdivision 1. **Account establishment; management.** A "Made in Minnesota" production incentive account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account the amounts collected under this section and appropriations and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from account assets, must be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account. The commissioner shall manage the account.

Subd. 2. **Purpose.** The purpose of the account is to pay the "Made in Minnesota" production incentive to owners of qualified solar photovoltaic devices, including related administrative costs, under section 216C.417.

Subd. 3. **Transfer.** The public utility that contributes to the account established under section 116C.779 shall transfer from that account up to \$5,000,000 annually to the commissioner of commerce for deposit in the account established in subdivision 1 for the purpose of paying the "Made in Minnesota" production incentive to owners of solar photovoltaic devices that qualify under section 216C.417. The commissioner of commerce shall request funds to be transferred by the public utility only to the extent necessary to fully fund the annual aggregate "Made in Minnesota" incentives paid to owners of solar photovoltaic devices.

Subd. 4. **Appropriation.** An amount sufficient to pay the "Made in Minnesota" production incentive under this section is annually appropriated from the account established under this section to the commissioner of commerce for the purposes of this section.

Sec. 37. **[216C.415] "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE; QUALIFICATION.**

Subdivision 1. **Application.** A manufacturer of solar photovoltaic modules seeking to qualify those modules as eligible to receive the "Made in Minnesota" solar energy production incentive must submit an application to the commissioner of commerce on a form prescribed by the commissioner. The application must contain:

(1) a technical description of the solar photovoltaic module and the processes used to manufacture it, excluding proprietary details;

(2) documentation that the solar photovoltaic module meets all the required applicable parts of the "Made in Minnesota" definition in section 216C.413, including evidence of the UL 1703 right to mark for all solar photovoltaic modules seeking to qualify as "Made in Minnesota";

(3) any additional nonproprietary information requested by the commissioner of commerce; and

(4) certification signed by the chief executive officer of the manufacturing company attesting to the truthfulness of the contents of the application and supporting materials under penalty of perjury.

Subd. 2. **Certification.** If the commissioner determines that a manufacturer's solar photovoltaic module meets the definition of "Made in Minnesota" in section 216C.413, the commissioner shall issue the manufacturer a "Made in Minnesota" certificate containing the name and model numbers of the certified solar photovoltaic modules and the date of certification. The commissioner must issue or deny the issuance of a certificate within 90 days of receipt of a completed application. A copy of the certificate must be provided to each purchaser of the solar photovoltaic module.

Subd. 3. **Revocation of certification.** The commissioner may revoke a certification of a module as "Made in Minnesota" if the commissioner finds that the module no longer meets the requirements to be certified. The revocation does not affect incentive payments awarded prior to the revocation.

Sec. 38. [216C.416] "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE.

Subdivision 1. **Setting incentive.** Within 90 days of a module being certified as "Made in Minnesota," the commissioner of commerce shall set a solar energy production incentive amount for that solar photovoltaic module for the purpose of the incentive payment under section 216C.417. The incentive is a performance-based financial incentive expressed as a per kilowatt-hour amount. The amount shall be used for incentive applications approved in the year to which the incentive amount is applicable for the ten-year duration of the incentive payments. An incentive amount must be calculated for each module for each calendar year, through 2023.

Subd. 2. **Criteria for determining incentive amount.** (a) The commissioner shall set the incentive payment amount by determining the average amount of incentive payment required to allow an average owner of installed solar photovoltaic modules a reasonable return on their investment. In setting the incentive amount the commissioner shall consider:

(1) an estimate of the installed cost per kilowatt-direct current, based on the cost data supplied by the manufacturer in the application submitted under section 216C.415, and an estimate of the average installation cost based on a representative sample of Minnesota solar photovoltaic installed projects;

(2) the average insolation rate in Minnesota;

(3) an estimate of the decline in the generation efficiency of the solar photovoltaic modules over time;

(4) the rate paid by utilities to owners of solar photovoltaic modules under section 216B.164 or other law;

(5) applicable federal tax incentives for installing solar photovoltaic modules; and

(6) the estimated levelized cost per kilowatt-hour generated.

(b) The commissioner shall annually, for incentive applications received in a year, revise each incentive amount based on the factors in paragraph (a), clauses (1) to (6), general market conditions, and the availability of other incentives. In no case shall the "Made in Minnesota" incentive amount result in the "Made in Minnesota" incentives paid exceeding 40 percent, net of average applicable taxes on the ten-year incentive payments, of the average historic installation cost per kilowatt. The commissioner may exceed the 40 percent cap if the commissioner determines it is necessary to fully expend funds available for incentive payments in a particular year.

Subd. 3. **Metering of production.** A utility or association must, at the expense of a customer, provide a meter to measure the production of a solar photovoltaic module system that is approved to receive incentive payments. The utility or association must furnish the commissioner with information sufficient for the commissioner to determine the incentive payment. The information must be provided on a calendar year basis by no later than March 1. The commissioner shall provide an association or utility with forms to use to provide the production information. A customer must attest to the accuracy of the production information.

Subd. 4. **Payment due date.** Payments must be made no later than July 1 following the year of production.

Subd. 5. **Renewable energy credits.** Renewable energy credits associated with energy provided to a utility or association for which an incentive payment is made belong to the utility or association.

Sec. 39. **[216C.417] "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE; PAYMENT.**

Subdivision 1. **Incentive payment.** Incentive payments may be made under this section only to an owner of grid-connected solar photovoltaic modules with a total nameplate capacity below 40-kilowatts direct current who:

(1) has submitted to the commissioner, on a form established by the commissioner, an application to receive the incentive that has been approved by the commissioner;

(2) has received a "Made in Minnesota" certificate under section 216C.415 for the module; and

(3) has installed on residential or commercial property solar photovoltaic modules that are generating electricity and has received a "Made in Minnesota" certificate under section 216C.415.

Subd. 2. **Application process.** Applications for an incentive payment must be received by the commissioner between January 1 and February 28. The commissioner shall by a random method approve the number of applications the commissioner reasonably determines will exhaust the funds available for payment for the ten-year period of incentive payments. Applications for residential and commercial installations shall be separately randomly approved. The random method adopted by the commissioner must allow for the commissioner to achieve statewide geographic distribution of the kilowatt hours of payment if there are sufficient applications to achieve that distribution.

Subd. 3. **Commissioner approval of incentive application.** The commissioner must approve an application for an incentive for an owner to be eligible for incentive payments. The commissioner must not approve an application in a calendar year if the commissioner determines there will not be sufficient funding available to pay an incentive to the applicant for any portion of the ten-year duration of payment. The commissioner shall annually establish a cap on the cumulative capacity for a program year based on funds available and historic average installation costs. Receipt of an incentive is not an entitlement and payment need only be made from available funds in the "Made in Minnesota" solar production incentive account.

Subd. 4. **Eligibility window; payment duration.** (a) Payments may be made under this section only for electricity generated from new solar photovoltaic module installations that are commissioned between January 1, 2014, and December 31, 2023.

(b) The payment eligibility window of the incentive begins and runs consecutively from the date the solar system is commissioned.

(c) An owner of solar photovoltaic modules may receive payments under this section for a particular module for a period of ten years provided that sufficient funds are available in the account.

(d) No payment may be made under this section for electricity generated after December 31, 2033.

(e) An owner of solar photovoltaic modules may not first begin to receive payments under this section after December 31, 2024.

Subd. 5. **Allocation of payments.** (a) If there are sufficient applications, approximately 50 percent of the incentive payment shall be for owners of eligible solar photovoltaic modules installed on residential property, and approximately 50 percent shall be for owners of eligible solar photovoltaic modules installed on commercial property.

(b) The commissioner shall endeavor to geographically distribute incentives paid under this section to owners of solar photovoltaic modules installed throughout the state.

(c) For purposes of this subdivision:

(1) "residential property" means residential real estate that is occupied and used as a homestead by its owner or by a renter and includes "multifamily housing development" as defined in section 462C.02, subdivision 5, except that residential property on which solar photovoltaic modules (i) whose capacity exceeds ten kilowatts is installed; or (ii) connected to a utility's distribution system and whose electricity is purchased by several residents, each of whom own a share of the electricity generated, shall be deemed commercial property; and

(2) "commercial property" means real property on which is located a business, government, or nonprofit establishment.

Subd. 6. **Limitation.** An owner receiving an incentive payment under this section may not receive a rebate under section 116C.7791 for the same solar photovoltaic modules.

Sec. 40. Minnesota Statutes 2012, section 216C.436, subdivision 7, is amended to read:

Subd. 7. **Repayment.** An implementing entity that finances an energy improvement under this section must:

(1) secure payment with a lien against the ~~benefited~~ qualifying real property; and

(2) collect repayments as a special assessment as provided for in section 429.101 or by charter, provided that special assessments may be made payable in up to 20 equal annual installments.

If the implementing entity is an authority, the local government that authorized the authority to act as implementing entity shall impose and collect special assessments necessary to pay debt service on bonds issued by the implementing entity under subdivision 8, and shall transfer all collections of the assessments upon receipt to the authority.

Sec. 41. Minnesota Statutes 2012, section 216C.436, subdivision 8, is amended to read:

Subd. 8. **Bond issuance; repayment.** (a) An implementing entity may issue revenue bonds as provided in chapter 475 for the purposes of this section, provided the revenue bond must not be payable more than 20 years from the date of issuance.

(b) The bonds must be payable as to both principal and interest solely from the revenues from the assessments established in subdivision 7.

(c) No holder of bonds issued under this subdivision may compel any exercise of the taxing power of the implementing entity that issued the bonds to pay principal or interest on the bonds, and if the implementing entity is an authority, no holder of the bonds may compel any exercise of the taxing power of the local government. Bonds issued under this subdivision are not a debt or obligation of the issuer or any local government that issued them, nor is the payment of the bonds enforceable out of any money other than the revenue pledged to the payment of the bonds.

Sec. 42. Laws 2005, chapter 97, article 10, section 3, is amended to read:

Sec. 3. **SUNSET.**

Sections 1 and 2 shall expire on June 30, ~~2015~~ 2023.

Sec. 43. **STUDY OF POTENTIAL FOR SOLAR ENERGY INSTALLATIONS ON PUBLIC BUILDINGS.**

(a) The commissioner of commerce shall contract with an independent consultant selected through a request for proposal process to produce a report analyzing the potential for electricity generation resulting from the installation of solar photovoltaic devices on and adjacent to public buildings in this state. The study must:

(1) determine, for buildings identified under the process initiated in Laws 2001, chapter 212, article 1, section 3, commonly referred to as the B3 program, the amount of space available for the installation of solar photovoltaic devices and the maximum solar electricity generation potential; and

(2) utilize existing data on energy efficiency potential developed under the B3 program and determine how investments in energy efficiency for these buildings could be combined with solar photovoltaic systems to enhance a building's overall energy efficiency. The analysis must include a schedule for installing solar photovoltaic systems on public buildings at a rate of four percent of available space per year and must prioritize installations that result in the largest benefits with the shortest payback periods.

(b) By January 1, 2014, the commissioner of commerce shall submit a copy of the report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy and state government finance.

(c) The commissioner of commerce shall assess an amount necessary under Minnesota Statutes, section 216B.241, subdivision 1e, in addition to the assessment already authorized under that subdivision, for the purpose of completing the study described in this section.

Sec. 44. **TRANSMISSION FOR FUTURE RENEWABLE ENERGY STANDARD.**

(a) The commission shall order all Minnesota electric utilities, as defined in Minnesota Statutes, section 216B.1691, subdivision 1, paragraph (b), and all transmission companies, as defined in Minnesota Statutes, section 216B.02, to study and develop plans for the transmission network enhancements necessary to support increasing the renewable energy standard established in Minnesota Statutes, section 216B.1691, subdivision 2a, to 40 percent by 2030, while maintaining system reliability.

(b) The Minnesota electric utilities and transmission companies must complete the study work under the direction of the commissioner of commerce. Prior to the start of the study, the commissioner shall appoint a technical review committee consisting of up to 15 individuals with experience and expertise in electric transmission system engineering, electric power systems operations, and renewable energy generation technology to review the study's proposed methods and assumptions, ongoing work, and preliminary results.

(c) As part of the planning process, the Minnesota electric utilities and transmission companies must incorporate and build upon the analyses that have previously been done or that are in progress including but not limited to the 2006 Minnesota Wind Integration Study and ongoing work to address geographically dispersed development plans, the 2007 Minnesota Transmission for Renewable Energy Standard Study, the 2008 and 2009 Statewide Studies of Dispersed Renewable Generation, the 2009 Minnesota RES Update, Corridor, and Capacity Validation Studies, the 2010 Regional Generation Outlet Study, the 2011 Multi Value Project Portfolio Study, and recent and ongoing Midwest Independent Transmission System Operator transmission expansion planning work. The utilities and

transmission companies shall collaborate with the Midwest Independent Transmission System Operator to optimize and integrate, to the extent possible, Minnesota's transmission plans with other regional considerations and to encourage the Midwest Independent Transmission System Operator to incorporate Minnesota's planning work into its transmission expansion future planning.

(d) The study must be completed and submitted to the Minnesota Public Utilities Commission by December 1, 2013. The report shall include a description of the analyses that have been conducted and the results, including:

(1) a conceptual plan for transmission necessary for generation interconnection and delivery and for access to regional geographic diversity and regional supply and demand side flexibility; and

(2) identification and development of potential solutions to any critical issues encountered to support increasing the renewable energy standard to 40 percent by 2030 while maintaining system reliability, as well as potential impacts and barriers of increasing the renewable energy standard to 45 percent and 50 percent.

Sec. 45. **SOLAR INTERCONNECTION STUDY.**

Each public utility, cooperative association, and municipal utility selling electricity shall, by November 1, 2013, provide to the commissioner of commerce an assessment of the capacity available on its electric distribution system for interconnecting solar photovoltaic devices installed on or adjacent to nonresidential buildings in the utility's service area. For each such potential interconnection point, the utility must calculate the maximum capacity of solar photovoltaic devices that could be installed on or adjacent to nearby nonresidential buildings, the amount of available capacity that could be installed without upgrading the utility's distribution system, and the cost of the upgrade necessary to accommodate the installation of the maximum capacity and lesser amounts. The assessment must be in map format, must be updated annually, and must be made available to the public.

Sec. 46. **VALUE OF ON-SITE ENERGY STORAGE STUDY.**

(a) The commissioner of commerce shall contract with an independent consultant selected through a request for proposal process to produce a report analyzing the potential costs and benefits of installing utility-managed, grid-connected energy storage devices in residential and commercial buildings in this state. The study must:

(1) estimate the potential value of on-site energy storage devices as a load-management tool to reduce costs for individual customers and for the utility, including but not limited to reductions in energy, particularly peaking, costs, and capacity costs;

(2) examine the interaction of energy storage devices with on-site solar photovoltaic devices; and

(3) analyze existing barriers to the installation of on-site energy storage devices by utilities, and examine strategies and design potential economic incentives to overcome those barriers.

(b) The commissioner of commerce shall assess an amount necessary under Minnesota Statutes, section 216B.241, subdivision 1e, in addition to the assessment already authorized under that subdivision, for the purpose of completing the study described in this section.

(c) By January 1, 2014, the commissioner of commerce shall submit the study to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy and finance.

Sec. 47. **VALUE OF SOLAR THERMAL STUDY.**

(a) The commissioner of commerce shall contract with an independent consultant selected through a request for proposal process to produce a report analyzing the potential costs and benefits of expanding the installation of solar thermal projects, as defined in Minnesota Statutes, section 216B.2411, subdivision 2, in residential and commercial buildings in this state. The study must examine the potential for solar thermal projects to reduce heating and cooling costs for individual customers and to reduce costs at the utility level as well. The study must also analyze existing barriers to the installation of on-site energy storage devices by utilities and examine strategies and design potential economic incentives to overcome those barriers. By January 1, 2014, the commissioner of commerce shall submit the study to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy and finance.

(b) The commissioner of commerce shall assess an amount necessary under Minnesota Statutes, section 216B.241, subdivision 1e, in addition to the assessment already authorized under that subdivision, for the purpose of completing the study described in this section.

Sec. 48. **SEVERABILITY.**

If any provision of this act is found to be unconstitutional and void, the remaining provisions of this act are valid.

Sec. 49. **APPROPRIATIONS.**

(a) \$212,000 in fiscal year 2014 and \$100,000 in fiscal year 2015 are appropriated from the general fund to the commissioner of commerce for the purpose of carrying out the activities required in this act. It is assumed that an amount equal to this appropriation will be assessed by the commissioner of commerce under Minnesota Statutes, section 216B.62, and deposited in the general fund. The base for this appropriation is \$80,000 in fiscal year 2016 and \$82,000 in fiscal year 2017.

(b) \$436,000 in fiscal year 2014 and \$226,000 in fiscal year 2015 are appropriated from the general fund from the assessments on utilities to the Public Utilities Commission for the purpose of carrying out the activities required in this act. It is assumed that an amount equal to this appropriation will be assessed by the commission under Minnesota Statutes, section 216B.62, and deposited in the general fund. The base for this appropriation is \$51,000 in fiscal year 2016 and \$28,000 in fiscal year 2017.

Sec. 50. **REPEALER.**

Minnesota Statutes 2012, section 216B.1637, is repealed.

Sec. 51. **EFFECTIVE DATE.**

Sections 1 to 50 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 6, after "corrections;" insert "appropriating money;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Murphy, E., from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1359, A bill for an act relating to workers' compensation; making various policy and housekeeping changes; adopting advisory council recommendations; requiring a report; amending Minnesota Statutes 2012, sections 176.011, subdivisions 15, 16; 176.081, subdivisions 1, 7; 176.101, subdivision 1; 176.102, subdivisions 3a, 5, 10; 176.106, subdivisions 1, 3; 176.129, subdivision 13; 176.136, subdivision 1b; 176.138; 176.183, subdivision 4; 176.245; 176.521; 176.645; 176.83, subdivision 5.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Murphy, E., from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1510, A bill for an act relating to Hennepin County; updating and making technical corrections to county contract provisions; amending Minnesota Statutes 2012, sections 383B.158, subdivisions 1, 2, 5; 383B.1581, subdivisions 2, 3; 383B.1582; 383B.1584; repealing Minnesota Statutes 2012, section 383B.1585.

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

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 956 and 1510 were read for the second time.

## **SECOND READING OF SENATE BILLS**

S. F. Nos. 250, 346 and 748 were read for the second time.

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

The following House File was introduced:

Dorholt introduced:

H. F. No. 1822, A bill for an act relating to capital investment; appropriating money for the Minnesota correctional facility in St. Cloud; authorizing the sale and issuance of state bonds.

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

**MESSAGES FROM THE SENATE**

The following message was received from the Senate:

Mr. Speaker:

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

S. F. Nos. 17, 340 and 1564.

JOANNE M. ZOFF, Secretary of the Senate

**FIRST READING OF SENATE BILLS**

S. F. No. 17, A resolution memorializing Congress; requesting that Congress propose a constitutional amendment and, if Congress does not propose an amendment, applying to Congress to call a constitutional convention to propose an amendment clarifying that the rights protected under the Constitution are the rights of natural persons and not the rights of artificial entities and that spending money to influence elections is not speech under the First Amendment.

The bill was read for the first time.

Dehn, R., moved that S. F. No. 17 and H. F. No. 276, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 340, A bill for an act relating to economic development; modifying loans to development authorities; amending Minnesota Statutes 2012, section 116J.5764, subdivision 1.

The bill was read for the first time.

Mahoney moved that S. F. No. 340 and H. F. No. 368, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1564, A bill for an act relating to metropolitan government; providing for redistricting of the Metropolitan Council districts; amending Minnesota Statutes 2012, section 473.123, by adding a subdivision; repealing Minnesota Statutes 2012, section 473.123, subdivision 3d.

The bill was read for the first time.

Nelson moved that S. F. No. 1564 and H. F. No. 1684, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

Murphy, E., moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

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

**CALENDAR FOR THE DAY**

H. F. No. 92 was reported to the House.

Poppe moved to amend H. F. No. 92, the third engrossment, as follows:

Page 1, delete section 1

Page 4, after line 32, insert:

"Sec. 4. Minnesota Statutes 2012, section 177.25, is amended by adding a subdivision to read:

Subd. 6. **Agricultural employment.** (a) Notwithstanding subdivision 1, hourly individuals employed in agricultural employment are required to be compensated for employment in excess of 48 hours per week at the same rate as provided in subdivision 1.

(b) For the purposes of this section, "agricultural employment" has the meaning given in section 268.035, subdivision 2."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Poppe moved to amend her amendment to H. F. No. 92, the third engrossment, as follows:

Page 1, line 7, delete "agricultural employment" and insert "agriculture"

Page 1, line 9, delete "agricultural employment" and insert "agriculture"

Page 1, line 10, delete "section 268.035, subdivision 2" and insert "Minnesota Rules, part 5200.0260."

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

Hansen moved to amend the Poppe amendment, as amended, to H. F. No. 92, the third engrossment, as follows:

Page 1, after line 10, insert:

"(c) The commissioner of labor and industry shall report to the legislature by January 1, 2014, on the number of agricultural employees who are using a 48 hour work week and the number of employees affected. The commissioner shall include recommendations for appropriate compensation for such agricultural employees.

(d) This subdivision expires February 1, 2014."

The motion prevailed and the amendment to the amendment, as amended, was adopted.

O'Driscoll moved to amend the Poppe amendment, as amended, to H. F. No. 92, the third engrossment, as follows:

Page 1, after line 10, insert:

"Sec. 5. Minnesota Statutes 2012, section 177.25, is amended by adding a subdivision to read:

Subd. 7. **Exempt employment.** Notwithstanding subdivision 1, hourly employees employed by an employer not subject to the overtime requirements of United States Code, title 29, section 207, must be compensated for employment in excess of 48 hours in a workweek at the same rate as provided in subdivision 1.

**EFFECTIVE DATE.** This section is effective August 1, 2013."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 59 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Gruenhagen	Kiel	Nornes	Swedzinski
Albright	Dean, M.	Hackbarth	Kresha	O'Driscoll	Theis
Anderson, M.	Dettmer	Hamilton	Leidiger	O'Neill	Torkelson
Anderson, P.	Drazkowski	Hertaus	Lohmer	Peppin	Uglen
Anderson, S.	Erickson, S.	Holberg	Loon	Pugh	Urdahl
Barrett	Fabian	Hoppe	Mack	Quam	Wills
Beard	FitzSimmons	Howe	McDonald	Runbeck	Woodard
Benson, M.	Franson	Johnson, B.	McNamara	Sanders	Zellers
Cornish	Garofalo	Kelly	Myhra	Schomacker	Zerwas
Daudt	Green	Kieffer	Newberger	Scott	

Those who voted in the negative were:

Allen	Erhardt	Hortman	Loeffler	Murphy, M.	Selcer
Anzelc	Erickson, R.	Huntley	Mahoney	Nelson	Simon
Atkins	Falk	Isaacson	Mariani	Newton	Simonson
Benson, J.	Faust	Johnson, C.	Marquart	Paymar	Slocum
Bernardy	Fischer	Johnson, S.	Masin	Pelowski	Sundin
Bly	Freiberg	Kahn	McNamar	Persell	Wagenius
Brynaert	Fritz	Laine	Melin	Poppe	Ward, J.A.
Carlson	Halverson	Lenczewski	Metsa	Radinovich	Ward, J.E.
Clark	Hansen	Lesch	Moran	Rosenthal	Winkler
Davnie	Hausman	Liebling	Morgan	Savick	Yarusso
Dehn, R.	Hilstrom	Lien	Mullery	Sawatzky	Spk. Thissen
Dorholt	Hornstein	Lillie	Murphy, E.	Schoen	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

The question recurred on the Poppe amendment, as amended, and the roll was called. There were 99 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hansen	Lillie	O'Neill	Swedzinski
Albright	Drazkowski	Hertaus	Lohmer	Pelowski	Theis
Anderson, M.	Erhardt	Holberg	Loon	Peppin	Torkelson
Anderson, P.	Erickson, R.	Hoppe	Mack	Persell	Uglem
Anderson, S.	Erickson, S.	Hortman	Marquart	Poppe	Urdahl
Atkins	Fabian	Howe	Masin	Pugh	Wagenius
Barrett	Faust	Huntley	McDonald	Quam	Ward, J.A.
Beard	Fischer	Johnson, B.	McNamar	Radinovich	Ward, J.E.
Benson, M.	FitzSimmons	Johnson, C.	McNamara	Rosenthal	Wills
Bernardy	Franson	Kahn	Moran	Runbeck	Winkler
Bly	Fritz	Kelly	Murphy, E.	Sanders	Woodard
Brynaert	Garofalo	Kieffer	Murphy, M.	Savick	Zellers
Cornish	Green	Kiel	Myhra	Sawatzky	Zerwas
Daudt	Gruenhagen	Kresha	Newberger	Schoen	Spk. Thissen
Davids	Hackbarth	Laine	Newton	Schomacker	
Davnie	Halverson	Leidiger	Nornes	Scott	
Dean, M.	Hamilton	Lien	O'Driscoll	Simon	

Those who voted in the negative were:

Allen	Dorholt	Hornstein	Liebling	Metsa	Selcer
Anzelc	Falk	Isaacson	Loeffler	Morgan	Simonson
Benson, J.	Freiberg	Johnson, S.	Mahoney	Mullery	Slocum
Carlson	Hausman	Lenczewski	Mariani	Nelson	Sundin
Clark	Hilstrom	Lesch	Melin	Paymar	Yarusso

The motion prevailed and the amendment, as amended, was adopted.

Atkins moved to amend H. F. No. 92, the third engrossment, as amended, as follows:

Page 4, after line 26, insert:

"Sec. 4. Minnesota Statutes 2012, section 177.25, subdivision 3, is amended to read:

Subd. 3. **Motor vehicle salespeople; mechanics.** Subdivision 1 does not apply to any salesperson, parts person, or mechanic primarily engaged in selling or servicing automobiles, trailers, trucks, or farm implements ~~and paid on a commission or incentive basis~~, if employed by a nonmanufacturing establishment primarily engaged in selling the vehicles to ultimate purchasers.

**EFFECTIVE DATE.** This section is effective August 1, 2013."

Renumber the sections in sequence

Correct the title numbers accordingly

The motion prevailed and the amendment was adopted.

Faust moved to amend H. F. No. 92, the third engrossment, as amended, as follows:

Page 3, line 28, strike ", an employer may pay" and insert "for"

Page 3, line 28, after "years" insert ", or for an employee aged 16 years and younger and until the employee's 17th birthday, an employer may pay the employee"

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

Rosenthal moved to amend H. F. No. 92, the third engrossment, as amended, as follows:

Page 4, line 9, after the first "by" insert "the lesser of: (1) two percent, rounded to the nearest cent; or (2)"

Rosenthal moved to amend his amendment to H. F. No. 92, the third engrossment, as amended, as follows:

Page 1, line 2, delete "two percent" and insert "2.5 percent"

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

Schomacker moved to amend the Rosenthal amendment, as amended, to H. F. No. 92, the third engrossment, as amended, as follows:

Page 1, after line 3, insert:

"Page 4, after line 11, insert:

"Section 3. Minnesota Statutes 2012, section 177.24, subdivision 4, is amended to read:

Subd. 4. **Unreimbursed expenses deducted.** Deductions, direct or indirect, from wages or gratuities not authorized by this subdivision may only be taken as authorized by sections 177.28, subdivision 3, 181.06, and 181.79. Deductions, direct or indirect, for up to the full cost of the uniform or equipment as listed below, may not exceed ~~\$50~~ \$150 or, if a motor vehicle dealer licensed under section 168.27 furnishes uniforms or clothing described in clause (1) on an ongoing basis, may not exceed the lesser of 50 percent of the dealer's reasonable expense or \$25 per month, including nonhome maintenance. No deductions, direct or indirect, may be made for the items listed below which when subtracted from wages would reduce the wages below the minimum wage:

(1) purchased or rented uniforms or specially designed clothing required by the employer, by the nature of the employment, or by statute as a condition of employment, which is not generally appropriate for use except in that employment;

(2) purchased or rented equipment used in employment, except tools of a trade, a motor vehicle, or any other equipment which may be used outside the employment;

(3) consumable supplies required in the course of that employment;

(4) travel expenses in the course of employment except those incurred in traveling to and from the employee's residence and place of employment.

**EFFECTIVE DATE.** This section is effective August 1, 2013."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

The question recurred on the Rosenthal amendment, as amended, to H. F. No. 92, the third engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Halverson moved to amend H. F. No. 92, the third engrossment, as amended, as follows:

Page 4, after line 10, insert:

"(e) Minimum wage standards and inflation must be reflected in statewide reimbursement rates and county and state purchase of service contracts for social services including those provided by direct service staff through home and community-based services waivers for seniors and persons with disabilities."

The motion prevailed and the amendment was adopted.

Loon moved to amend H. F. No. 92, the third engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 177.24, subdivision 1, is amended to read:

Subdivision 1. **Amount.** (a) For purposes of this subdivision, the terms defined in this paragraph have the meanings given them.

(1) "Large employer" means an enterprise whose annual gross volume of sales made or business done is not less than \$625,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(2) "Small employer" means an enterprise whose annual gross volume of sales made or business done is less than \$625,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(b) Except as otherwise provided in sections 177.21 to 177.35, every large employer must pay each employee wages at a rate of ~~at least \$5.15 an hour beginning September 1, 1997, and at a rate of at least \$6.15~~ \$7.25 an hour beginning August 1, ~~2005~~ 2013. Every small employer must pay each employee at a rate of ~~at least \$4.90 an hour beginning January 1, 1998, and at a rate of at least \$5.25 an hour beginning August 1, 2005.~~

(c) Notwithstanding paragraph (b), during the first 90 consecutive days of employment, an employer may pay an employee under the age of 20 years a wage of ~~\$4.90~~ \$5.15 an hour. No employer may take any action to displace any employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

**EFFECTIVE DATE.** This section is effective August 1, 2013.

Sec. 2. Minnesota Statutes 2012, section 181.941, subdivision 1, is amended to read:

Subdivision 1. ~~Six~~ **Twelve-week leave; birth or adoption.** An employer must grant an unpaid leave of absence to an employee who is a natural or adoptive parent in conjunction with the birth or adoption of a child. The length of the leave shall be determined by the employee, but may not exceed ~~six~~ 12 weeks, unless agreed to by the employer.

**EFFECTIVE DATE.** This section is effective August 1, 2013.

Sec. 3. Minnesota Statutes 2012, section 181.943, is amended to read:

**181.943 RELATIONSHIP TO OTHER LEAVE.**

(a) The length of parental leave provided under section 181.941 may be reduced by any period of paid parental or disability leave, but not accrued sick leave, provided by the employer, so that the total leave does not exceed ~~six~~ 12 weeks, unless agreed to by the employer.

(b) Nothing in sections 181.940 to 181.943 prevents any employer from providing leave benefits in addition to those provided in sections 181.940 to 181.944 or otherwise affects an employee's rights with respect to any other employment benefit.

**EFFECTIVE DATE.** This section is effective August 1, 2013."

A roll call was requested and properly seconded.

The question was taken on the Loon amendment and the roll was called. There were 59 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abeler	Dauids	Gruenhagen	Kiel	Nornes	Swedzinski
Albright	Dean, M.	Hackbarth	Kresha	O'Driscoll	Theis
Anderson, M.	Dettmer	Hamilton	Leidiger	O'Neill	Torkelson
Anderson, P.	Drazkowski	Hertaus	Lohmer	Peppin	Uglen
Anderson, S.	Erickson, S.	Holberg	Loon	Pugh	Urdahl
Barrett	Fabian	Hoppe	Mack	Quam	Wills
Beard	FitzSimmons	Howe	McDonald	Runbeck	Woodard
Benson, M.	Franson	Johnson, B.	McNamara	Sanders	Zellers
Cornish	Garofalo	Kelly	Myhra	Schomacker	Zerwas
Daudt	Green	Kieffer	Newberger	Scott	

Those who voted in the negative were:

Allen	Benson, J.	Brynaert	Davnie	Erhardt	Faust
Anzelc	Bernardy	Carlson	Dehn, R.	Erickson, R.	Fischer
Atkins	Bly	Clark	Dorholt	Falk	Freiberg

Fritz	Johnson, C.	Loeffler	Morgan	Poppe	Slocum
Halverson	Johnson, S.	Mahoney	Mullery	Radinovich	Sundin
Hansen	Kahn	Mariani	Murphy, E.	Rosenthal	Wagenius
Hausman	Laine	Marquart	Murphy, M.	Savick	Ward, J.A.
Hilstrom	Lenczewski	Masin	Nelson	Sawatzky	Ward, J.E.
Hornstein	Lesch	McNamar	Newton	Schoen	Winkler
Hortman	Liebling	Melin	Paymar	Selcer	Yarusso
Huntley	Lien	Metsa	Pelowski	Simon	Spk. Thissen
Isaacson	Lillie	Moran	Persell	Simonson	

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

Kieffer, Lien, Rosenthal, Hackbarth and Gunther moved to amend H. F. No. 92, the third engrossment, as amended, as follows:

Page 4, after line 10, insert:

"(e) Notwithstanding paragraphs (b) and (c) and subdivision 2, every employer must pay an employee receiving gratuities at a rate equal to: (1) at least \$7.25 per hour if the employee earns sufficient gratuities during the pay period so that the sum of \$7.25 per hour and gratuities received averages at least \$12 per hour for the pay period; or (2) at least the greater of the wage rate under this section or United States Code, title 29, section 206(a)(1), if the employee does not earn sufficient gratuities during the pay period so that the sum of \$7.25 per hour and gratuities received averages at least \$12 per hour for the pay period. For the purposes of this section, an "employee receiving gratuities" means an employee who customarily and regularly receives more than \$30 per month in gratuities and "gratuity" means a voluntary payment received by an employee from a customer, the amount of which is determined by the customer. The amount of the gratuity must not be dictated by employer policy or subject to negotiation with the employer."

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "modifying the minimum wage for certain employees receiving gratuities;"

A roll call was requested and properly seconded.

The question was taken on the Kieffer et al amendment and the roll was called. There were 64 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean, M.	Gruenhagen	Kresha	O'Driscoll	Swedzinski
Albright	Dettmer	Hackbarth	Leidiger	O'Neill	Theis
Anderson, M.	Dorholt	Hamilton	Lien	Peppin	Torkelson
Anderson, P.	Drazkowski	Hertaus	Lohmer	Pugh	Uglen
Anderson, S.	Erhardt	Holberg	Loon	Rosenthal	Urdahl
Barrett	Erickson, S.	Hoppe	Mack	Runbeck	Wills
Beard	Fabian	Howe	McDonald	Sanders	Woodard
Benson, M.	FitzSimmons	Johnson, B.	McNamara	Sawatzky	Zellers
Cornish	Franson	Kelly	Myhra	Schomacker	Zerwas
Daudt	Garofalo	Kieffer	Newberger	Scott	
Davids	Green	Kiel	Nornes	Selcer	

Those who voted in the negative were:

Allen	Erickson, R.	Hortman	Loeffler	Murphy, E.	Schoen
Anzelc	Falk	Huntley	Mahoney	Murphy, M.	Simon
Atkins	Faust	Isaacson	Mariani	Nelson	Simonson
Benson, J.	Fischer	Johnson, C.	Marquart	Newton	Slocum
Bernardy	Freiberg	Johnson, S.	Masin	Paymar	Sundin
Bly	Fritz	Kahn	McNamar	Pelowski	Wagenius
Brynaert	Halverson	Laine	Melin	Persell	Ward, J.A.
Carlson	Hansen	Lenczewski	Metsa	Poppe	Winkler
Clark	Hausman	Lesch	Moran	Quam	Yarusso
Davnie	Hilstrom	Liebling	Morgan	Radinovich	Spk. Thissen
Dehn, R.	Hornstein	Lillie	Mullery	Savick	

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

#### MOTION FOR RECONSIDERATION

Quam moved that the vote whereby the Kieffer et al amendment to H. F. No. 92, the third engrossment, as amended, was not adopted be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the Quam motion and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hertaus	Lien	Nornes	Theis
Albright	Drazkowski	Holberg	Lohmer	O'Driscoll	Torkelson
Anderson, M.	Erickson, S.	Hoppe	Loon	O'Neill	Uglen
Anderson, P.	Fabian	Howe	Mack	Peppin	Urdahl
Anderson, S.	FitzSimmons	Johnson, B.	Mariani	Pugh	Wills
Barrett	Franson	Johnson, S.	Marquart	Quam	Woodard
Beard	Garofalo	Kahn	McDonald	Rosenthal	Zellers
Benson, M.	Green	Kelly	McNamar	Runbeck	Zerwas
Cornish	Gruenhagen	Kieffer	McNamara	Sanders	Spk. Thissen
Daudt	Hackbarth	Kiel	Murphy, M.	Schomacker	
Davids	Hamilton	Kresha	Myhra	Scott	
Dean, M.	Hausman	Leidiger	Newberger	Swedzinski	

Those who voted in the negative were:

Allen	Dorholt	Hornstein	Mahoney	Pelowski	Sundin
Anzelc	Erhardt	Hortman	Masin	Persell	Wagenius
Atkins	Erickson, R.	Huntley	Melin	Poppe	Ward, J.A.
Benson, J.	Falk	Isaacson	Metsa	Radinovich	Ward, J.E.
Bernardy	Faust	Johnson, C.	Moran	Savick	Winkler
Bly	Fischer	Laine	Morgan	Sawatzky	Yarusso
Brynaert	Freiberg	Lenczewski	Mullery	Schoen	
Carlson	Fritz	Lesch	Murphy, E.	Selcer	
Clark	Halverson	Liebling	Nelson	Simon	
Davnie	Hansen	Lillie	Newton	Simonson	
Dehn, R.	Hilstrom	Loeffler	Paymar	Slocum	

The motion prevailed.

The Kieffer et al amendment to H. F. No. 92, the third engrossment, as amended, was again reported to the House and reads as follows:

Page 4, after line 10, insert:

"(e) Notwithstanding paragraphs (b) and (c) and subdivision 2, every employer must pay an employee receiving gratuities at a rate equal to: (1) at least \$7.25 per hour if the employee earns sufficient gratuities during the pay period so that the sum of \$7.25 per hour and gratuities received averages at least \$12 per hour for the pay period; or (2) at least the greater of the wage rate under this section or United States Code, title 29, section 206(a)(1), if the employee does not earn sufficient gratuities during the pay period so that the sum of \$7.25 per hour and gratuities received averages at least \$12 per hour for the pay period. For the purposes of this section, an "employee receiving gratuities" means an employee who customarily and regularly receives more than \$30 per month in gratuities and "gratuity" means a voluntary payment received by an employee from a customer, the amount of which is determined by the customer. The amount of the gratuity must not be dictated by employer policy or subject to negotiation with the employer."

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "modifying the minimum wage for certain employees receiving gratuities;"

The question was taken on the Kieffer et al amendment and the roll was called. There were 65 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean, M.	Gruenhagen	Kresha	O'Driscoll	Selcer
Albright	Dettmer	Hackbarth	Leidiger	O'Neill	Swedzinski
Anderson, M.	Dorholt	Hamilton	Lien	Peppin	Theis
Anderson, P.	Drazkowski	Hertaus	Lohmer	Pugh	Torkelson
Anderson, S.	Erhardt	Holberg	Loon	Quam	Uglen
Barrett	Erickson, S.	Hoppe	Mack	Rosenthal	Urdahl
Beard	Fabian	Howe	McDonald	Runbeck	Wills
Benson, M.	FitzSimmons	Johnson, B.	McNamara	Sanders	Woodard
Cornish	Franson	Kelly	Myhra	Sawatzky	Zellers
Daudt	Garofalo	Kieffer	Newberger	Schomacker	Zerwas
Davids	Green	Kiel	Nornes	Scott	

Those who voted in the negative were:

Allen	Carlson	Fischer	Hornstein	Laine	Mariani
Anzelc	Clark	Freiberg	Hortman	Lenczewski	Marquart
Atkins	Davnie	Fritz	Huntley	Lesch	Masin
Benson, J.	Dehn, R.	Halverson	Isaacson	Liebling	McNamar
Bernardy	Erickson, R.	Hansen	Johnson, C.	Lillie	Melin
Bly	Falk	Hausman	Johnson, S.	Loeffler	Metsa
Brynaert	Faust	Hilstrom	Kahn	Mahoney	Moran

Morgan	Nelson	Persell	Schoen	Sundin	Winkler
Mullery	Newton	Poppe	Simon	Wagenius	Yarusso
Murphy, E.	Paymar	Radinovich	Simonson	Ward, J.A.	Spk. Thissen
Murphy, M.	Pelowski	Savick	Slocum	Ward, J.E.	

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

Davnie moved to amend H. F. No. 92, the third engrossment, as amended, as follows:

Page 4, after line 11, insert:

"Sec. 3. Minnesota Statutes 2012, section 177.24, is amended by adding a subdivision to read:

Subd. 3a. **Gratuities; credit cards or charges.** (a) Gratuities presented to an employee via inclusion on a debit, charge, or credit card shall be credited to that pay period in which they are received by the employee and for which they appear on the employee's tip statement.

(b) Where a tip is given by a customer through a debit, charge, or credit card, the full amount of tip must be allowed the employee.

**EFFECTIVE DATE.** This section is effective August 1, 2013."

Page 5, after line 16, insert:

"Sec. 8. **REPEALER.**

Minnesota Rules, part 5200.0080, subpart 7, is repealed.

**EFFECTIVE DATE.** This section is effective August 1, 2013."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 92, A bill for an act relating to employment; regulating the minimum wage; modifying overtime and parental leave provisions; amending Minnesota Statutes 2012, sections 177.24, subdivision 1, by adding a subdivision; 177.25, subdivisions 1, 3, 5, by adding a subdivision; 181.941, subdivision 1; 181.943; repealing Minnesota Rules, part 5200.0080, subpart 7.

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 68 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Allen	Benson, J.	Brynaert	Davnie	Erhardt	Faust
Anzelc	Bernardy	Carlson	Dehn, R.	Erickson, R.	Fischer
Atkins	Bly	Clark	Dorholt	Falk	Freiberg

Fritz	Johnson, C.	Loeffler	Morgan	Radinovich	Ward, J.A.
Halverson	Johnson, S.	Mahoney	Mullery	Savick	Ward, J.E.
Hansen	Kahn	Mariani	Murphy, E.	Sawatzky	Winkler
Hausman	Laine	Marquart	Murphy, M.	Schoen	Yarusso
Hilstrom	Lenczewski	Masin	Nelson	Simon	Spk. Thissen
Hornstein	Lesch	McNamar	Newton	Simonson	
Hortman	Liebling	Melin	Paymar	Slocum	
Huntley	Lien	Metsa	Persell	Sundin	
Isaacson	Lillie	Moran	Poppe	Wagenius	

Those who voted in the negative were:

Abeler	Dean, M.	Hamilton	Lohmer	Peppin	Torkelson
Albright	Dettmer	Hertaus	Loon	Pugh	Uglen
Anderson, M.	Drazkowski	Holberg	Mack	Quam	Urdahl
Anderson, P.	Erickson, S.	Hoppe	McDonald	Rosenthal	Wills
Anderson, S.	Fabian	Howe	McNamara	Runbeck	Woodard
Barrett	FitzSimmons	Johnson, B.	Myhra	Sanders	Zellers
Beard	Franson	Kelly	Newberger	Schomacker	Zerwas
Benson, M.	Garofalo	Kieffer	Nornes	Scott	
Cornish	Green	Kiel	O'Driscoll	Selcer	
Daudt	Gruenhagen	Kresha	O'Neill	Swedzinski	
Dauids	Hackbarth	Leidiger	Pelowski	Theis	

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

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

The Speaker called Hortman to the Chair.

Lesch was excused between 4:30 p.m. and 5:20 p.m.

S. F. No. 489 was reported to the House.

O'Driscoll and Benson, M., moved to amend S. F. No. 489, the unofficial engrossment, as follows:

Page 160, after line 29, insert:

**"Sec. 6. [3.851] ADEQUACY OF BUDGETED AND FORECASTED DEFINED BENEFIT PLAN RETIREMENT CONTRIBUTIONS.**

(a) On or before May 30 or the date occurring 30 days after the conclusion of the regular legislative session, whichever is later, in each odd-numbered year, the Legislative Commission on Pensions and Retirement shall prepare a report to the legislature on the adequacy of the budgeted appropriations, including retirement-related state aids, and forecasted member and employer retirement contributions to meet the total calculated actuarial funding requirements of the statewide and major local defined benefit retirement plans.

(b) The total calculated actuarial funding requirements are the sum of:

(1) the normal cost;

(2) the administrative expenses as defined in section 356.20, subdivision 4, paragraph (c); and

(3) the supplemental amortization contribution requirement using the amortization target date specified in section 356.215, subdivision 11.

The total calculated actuarial funding requirements must be as determined in the most recent actuarial valuation of the retirement plan prepared by an approved actuary under section 356.215 and the most recent standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement.

(c) The statewide and major local retirement plans are the defined benefit retirement plans listed in section 356.20, subdivision 2, clauses (1) to (6), (9), (12), (13), and (14).

(d) The report must also include as an exhibit as of the start of the most recent fiscal year, the following information for each statewide and major local retirement plan in a single comparative table:

(1) the year the retirement plan was enacted or established;

(2) the number of active members of the retirement plan;

(3) the number of retirement annuitants and retirement benefit recipients;

(4) whether or not the retirement plan supplements the federal Old Age, Survivors and Disability Insurance program;

(5) the complete schedule of accrued benefit obligations and projected benefit obligations from the latest actuarial valuation reports;

(6) whether or not the retirement plan permits the purchase of service credit for out-of-state service or time;

(7) the percentage of covered salary employer contributions;

(8) the percentage of covered salary member contributions;

(9) the amount of unfunded actuarial accrued liability calculated using the actuarial value of assets and the market value of assets;

(10) the percentage that assets, at actuarial value and at market value, represent of the actuarial accrued liability;

(11) the normal retirement age or ages;

(12) the salary base definition and the percentage of salary base benefit accrual rate per year of service credit formula for a normal retirement annuity;

(13) the amount of automatic postretirement adjustment;

(14) whether or not service credit is available for military service and any limitation on its acquisition;

(15) the vesting period for a disability benefit and the definition of a disability qualifying for a disability benefit;

(16) investment performance and interest rate actuarial assumptions;

(17) the amortization target date;

(18) four fiscal years running statistics of active retirement plan members;

(19) four fiscal years running statistics of retirement annuitants and retirement benefit recipients;

(20) four fiscal years running statistics of deferred annuitants;

(21) four fiscal years running statistics of unfunded actuarial accrued liability determined on an actuarial value of assets basis and on a market value of assets basis;

(22) four fiscal years running statistics of the percentage that assets, at actuarial value and at market value, represent of the actuarial accrued liability;

(23) four fiscal years running statistics of actuarial value of assets; and

(24) four fiscal years running statistics of market value of assets.

(e) The report under this section also must be included on the Web site of the commission."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the O'Driscoll and Benson, M., amendment and the roll was called. There were 57 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean, M.	Hackbarth	Kresha	O'Neill	Torkelson
Albright	Dettmer	Hamilton	Leidiger	Peppin	Uglen
Anderson, M.	Drazkowski	Hertaus	Lohmer	Pugh	Urdahl
Anderson, P.	Erickson, S.	Holberg	Loon	Quam	Wills
Barrett	Fabian	Hoppe	Mack	Runbeck	Woodard
Beard	FitzSimmons	Howe	McNamara	Sanders	Zellers
Benson, M.	Franson	Johnson, B.	Myhra	Schomacker	Zerwas
Cornish	Garofalo	Kelly	Newberger	Scott	
Daudt	Green	Kieffer	Nornes	Swedzinski	
Davids	Gruenhagen	Kiel	O'Driscoll	Theis	

Those who voted in the negative were:

Allen	Clark	Fischer	Hortman	Liebling	McNamar
Anzelc	Davnie	Freiberg	Huntley	Lien	Melin
Atkins	Dehn, R.	Fritz	Isaacson	Lillie	Metsa
Benson, J.	Dorholt	Halverson	Johnson, C.	Loeffler	Moran
Bernardy	Erhardt	Hansen	Johnson, S.	Mahoney	Morgan
Bly	Erickson, R.	Hausman	Kahn	Mariani	Mullery
Brynaert	Falk	Hilstrom	Laine	Marquart	Murphy, E.
Carlson	Faust	Hornstein	Lenczewski	Masin	Murphy, M.

Nelson	Persell	Savick	Simon	Wagenius	Yarusso
Newton	Poppe	Sawatzky	Simonson	Ward, J.A.	Spk. Thissen
Paymar	Radinovich	Schoen	Slocum	Ward, J.E.	
Pelowski	Rosenthal	Selcer	Sundin	Winkler	

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

S. F. No. 489, A bill for an act relating to retirement; Minnesota State Retirement System, Public Employees Retirement Association, and former local police and paid firefighter relief associations; authorizing investments in swaps; clarifying language; removing obsolete language; revising outdated requirements; revising contribution rate revision procedures; revising disability standards and disability benefit administration procedures; merging the elected state officers retirement plan into the legislators retirement plan; revising pension commission standards provision; revising pension plan financial report contents provision; clarifying coverage of student employees and extending duration of excluded work-study positions; revising military service credit purchase provision for consistency with federal code; clarifying average salary for benefit purposes; clarifying MERF division benefit eligibility; adding Lake County Sunrise Home to privatization chapter; removing legislative approval requirements for privatizations; modifying legislative notification requirements for privatizations; clarifying privatized public hospital pension benefit eligibility; making various administrative changes; eliminating the PERA Social Security leveling optional annuity; revising and repealing various statutes to reflect the recent mergers of local police and salaried firefighter relief associations and consolidation accounts with the public employees police and fire retirement plan; streamlining amortization state aid programs; extending the deadline for participation in the voluntary statewide lump-sum volunteer firefighter retirement plan; requiring municipal approval for deferred service pension interest rate changes by volunteer firefighter relief association boards of trustees; authorizing a resumption of the payment of a death benefit to estates of certain White Bear Lake volunteer firefighter relief association retirees; including Minnesota Association of Professional Employees in MSRS-General plan coverage; authorizing the termination of nonspousal survival designations in optional annuity form elections in certain instances; authorizing certain service credit purchases; providing instructions to the revisor of statutes; amending Minnesota Statutes 2012, sections 3.85, subdivision 10; 3A.011; 3A.03, subdivision 3; 3A.07; 3A.115; 3A.13; 3A.15; 6.495, subdivisions 1, 3; 6.67; 11A.24, subdivision 1; 13D.01, subdivision 1; 69.011, subdivisions 1, 2, 3, 4; 69.021, subdivisions 1, 2, 3, 4, 5, 7, 7a, 8, 9, 10, 11; 69.031, subdivisions 1, 3, 5; 69.041; 69.051, subdivisions 1, 1a, 1b, 2, 3, 4; 69.33; 69.77, subdivisions 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 69.771, subdivision 1; 69.774, subdivision 1; 69.80; 275.70, subdivision 5; 297L.10, subdivision 1; 345.381; 352.01, subdivisions 2a, 17b; 352.029, subdivisions 1, 2a, 2b, 3, 5; 352.03, subdivisions 4, 8; 352.045, by adding subdivisions; 352.113, subdivisions 4, 6, 8, by adding subdivisions; 352.115, subdivision 3; 352.22, subdivision 3; 352.87, subdivision 3; 352.93, subdivision 2; 352.95, subdivision 1; 352.955, subdivisions 1, 3; 352B.011, subdivision 13; 352B.08, subdivision 2; 352B.10, subdivision 1, by adding a subdivision; 352D.04, subdivision 2; 353.01, subdivisions 2a, 2b, 6, 10, 16, 17a, 29; 353.03, subdivision 3; 353.27, subdivision 7; 353.29, subdivision 3; 353.34, subdivisions 1, 2; 353.50, subdivisions 3, 6; 353.64, subdivision 1a; 353.651, subdivision 3; 353.656, subdivisions 1, 1a, 3a; 353.657, subdivisions 2, 2a, 3; 353.659; 353.665, subdivisions 1, 5, 8; 353.71, subdivision 1; 353E.04, subdivision 3; 353E.06, subdivision 1; 353F.02, subdivisions 3, 4, 6, by adding a subdivision; 353F.025, subdivisions 1, 2; 353F.03; 353F.04; 353F.05; 353F.051, subdivision 1; 353F.052; 353F.06; 353F.07; 353F.08; 353G.05, subdivision 2; 354.07, subdivision 1; 354.44, subdivision 6; 354A.021, subdivision 2; 354A.31, subdivisions 4, 4a; 356.20, subdivisions 2, 4; 356.214, subdivision 1; 356.215, subdivisions 1, 8, 18; 356.216; 356.219, subdivisions 1, 2, 8; 356.30, subdivisions 1, 3; 356.315, subdivision 9; 356.401, subdivision 3; 356.406, subdivision 1; 356.415, subdivisions 1, 1a, 1b, 2; 356.48, subdivision 1; 356.635, subdivision 1; 356A.01, subdivision 19; 356A.06, subdivision 4; 356A.07, subdivision 2; 423A.02, subdivisions 1, 1b, 2, 3, 3a, 4, 5; 424A.001, subdivision 4, by adding a subdivision; 424A.01, subdivision 6; 424A.015, subdivisions 1, 4; 424A.016, subdivision 6; 424A.02, subdivisions 7, 9; 424A.10, subdivisions 1, 2; 475.52, subdivision 6; 490.121, subdivision 22; 490.124, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3A; 6; 353F; 356; repealing Minnesota Statutes 2012, sections 3A.02, subdivision 3; 69.021, subdivision 6; 69.77, subdivision 3; 352.955, subdivision 2; 352C.001; 352C.091, subdivision 1; 352C.10; 353.29,

subdivision 6; 353.64, subdivision 3; 353.665, subdivisions 2, 3, 4, 6, 7, 9, 10; 353.667; 353.668; 353.669; 353.6691; 353A.01; 353A.02; 353A.03; 353A.04; 353A.05; 353A.06; 353A.07; 353A.08; 353A.081; 353A.083; 353A.09; 353A.10; 353B.01; 353B.02; 353B.03; 353B.04; 353B.05; 353B.06; 353B.07; 353B.08; 353B.09; 353B.10; 353B.11; 353B.12; 353B.13; 353B.14; 353F.02, subdivisions 4, 5; 353F.025, subdivision 3; 356.315, subdivisions 1, 1a, 2, 2a, 2b, 3, 4, 5, 5a, 6, 7, 8; 423A.01; 423A.02, subdivision 1a; 423A.04; 423A.05; 423A.07; 423A.10; 423A.11; 423A.12; 423A.13; 423A.14; 423A.15; 423A.16; 423A.17; 423A.171; 423A.18; 423A.19; 423A.20; 423A.21; 423A.22; 424A.10, subdivision 5.

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 75 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Abeler	Dehn, R.	Hornstein	Mahoney	Nelson	Simonson
Allen	Dorholt	Hortman	Mariani	Newton	Slocum
Anzelc	Erhardt	Huntley	Marquart	Paymar	Sundin
Atkins	Erickson, R.	Isaacson	Masin	Pelowski	Urdahl
Benson, J.	Falk	Johnson, C.	McNamar	Persell	Wagenius
Bernardy	Faust	Johnson, S.	McNamara	Poppe	Ward, J.A.
Bly	Fischer	Kahn	Melin	Radinovich	Ward, J.E.
Brynaert	Freiberg	Laine	Metsa	Rosenthal	Winkler
Carlson	Fritz	Lenczewski	Moran	Savick	Yarusso
Clark	Halverson	Liebling	Morgan	Sawatzky	Spk. Thissen
Cornish	Hansen	Lien	Mullery	Schoen	
Davids	Hausman	Lillie	Murphy, E.	Selcer	
Davnie	Hilstrom	Loeffler	Murphy, M.	Simon	

Those who voted in the negative were:

Albright	Dettmer	Hackbarth	Kiel	O'Driscoll	Swedzinski
Anderson, M.	Drazkowski	Hamilton	Kresha	O'Neill	Theis
Anderson, P.	Erickson, S.	Hertaus	Leidiger	Peppin	Torkelson
Anderson, S.	Fabian	Holberg	Lohmer	Pugh	Uglen
Barrett	FitzSimmons	Hoppe	Loon	Quam	Wills
Beard	Franson	Howe	Mack	Runbeck	Woodard
Benson, M.	Garofalo	Johnson, B.	Myhra	Sanders	Zellers
Daudt	Green	Kelly	Newberger	Schomacker	Zerwas
Dean, M.	Gruenhagen	Kieffer	Nornes	Scott	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

H. F. No. 1117 was reported to the House.

Huntley moved to amend H. F. No. 1117, the second engrossment, as follows:

Page 5, line 33, after "(4)" insert "upon the development of the treatment plan and thereafter"

Page 7, line 22, before "medication" insert "unused"

Page 9, after line 11, insert:

"Section 1. Minnesota Statutes 2012, section 152.01, subdivision 5a, is amended to read:

Subd. 5a. **Hallucinogen.** "Hallucinogen" means any hallucinogen listed in section 152.02, subdivision 2, ~~clause~~ ~~(3)~~ paragraph (d), or Minnesota Rules, part 6800.4210, item C, except marijuana and Tetrahydrocannabinols.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2012, section 152.02, subdivision 2, is amended to read:

Subd. 2. **Schedule I.** (a) Schedule I consists of the substances listed in this subdivision.

(b) Opiates. Unless specifically excepted or unless listed in another schedule, any of the following substances, including their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the analogs, isomers, esters, ethers, and salts is possible:

- (1) acetylmethadol;
- (2) allylprodine;
- (3) alphacetylmethadol (except levo-alphacetylmethadol, also known as levomethadyl acetate);
- (4) alphameprodine;
- (5) alphasmethadol;
- (6) alpha-methylfentanyl benzethidine;
- (7) betacetylmethadol;
- (8) betameprodine;
- (9) betamethadol;
- (10) betaprodine;
- (11) clonitazene;
- (12) dextromoramide;
- (13) diampromide;
- (14) diethylambutene;
- (15) difenoxin;
- (16) dimenoxadol;
- (17) dimepheptanol;

- (18) dimethylambutene;
- (19) dioxaphetyl butyrate;
- (20) dipipanone;
- (21) ethylmethylthiambutene;
- (22) etonitazene;
- (23) etoxeridine;
- (24) furethidine;
- (25) hydroxypethidine;
- (26) ketobemidone;
- (27) levomoramide;
- (28) levophenacilmorphan;
- (29) 3-methylfentanyl;
- (30) acetyl-alpha-methylfentanyl;
- (31) alpha-methylthiofentanyl;
- (32) benzylfentanyl beta-hydroxyfentanyl;
- (33) beta-hydroxy-3-methylfentanyl;
- (34) 3-methylthiofentanyl;
- (35) thenylfentanyl;
- (36) thiofentanyl;
- (37) para-fluorofentanyl;
- (38) morpheridine;
- (39) 1-methyl-4-phenyl-4-propionoxypiperidine;
- (40) noracymethadol;
- (41) norlevorphanol;
- (42) normethadone;
- (43) norpipanone;

- (44) 1-(2-phenylethyl)-4-phenyl-4-acetoxypiperidine (PEPAP);
- (45) phenadoxone;
- (46) phenampromide;
- (47) phenomorphan;
- (48) phenoperidine;
- (49) piritramide;
- (50) proheptazine;
- (51) properidine;
- (52) propiram;
- (53) racemoramide;
- (54) tilidine;
- (55) trimeperidine.

(c) Opium derivatives. Any of the following substances, their analogs, salts, isomers, and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) acetorphine;
- (2) acetyldihydrocodeine;
- (3) benzylmorphine;
- (4) codeine methylbromide;
- (5) codeine-n-oxide;
- (6) cyprenorphine;
- (7) desomorphine;
- (8) dihydromorphine;
- (9) drotebanol;
- (10) etorphine;
- (11) heroin;
- (12) hydromorphanol;

- (13) methyl-desorphine;
- (14) methyl-dihydromorphine;
- (15) morphine methyl-bromide;
- (16) morphine methyl-sulfonate;
- (17) morphine-n-oxide;
- (18) myrophine;
- (19) nicocodeine;
- (20) nicomorphine;
- (21) normorphine;
- (22) pholcodine;
- (23) thebacon.

(d) Hallucinogens. Any material, compound, mixture or preparation which contains any quantity of the following substances, their analogs, salts, isomers (whether optical, positional, or geometric), and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) methylenedioxy amphetamine;
- (2) methylenedioxymethamphetamine;
- (3) methylenedioxy-N-ethylamphetamine (MDEA);
- (4) n-hydroxy-methylenedioxyamphetamine;
- (5) 4-bromo-2,5-dimethoxyamphetamine (DOB);
- (6) 2,5-dimethoxyamphetamine (2,5-DMA);
- (7) 4-methoxyamphetamine;
- (8) 5-methoxy-3, 4-methylenedioxy amphetamine;
- (9) alpha-ethyltryptamine;
- (10) bufotenine;
- (11) diethyltryptamine;
- (12) dimethyltryptamine;

- (13) 3,4,5-trimethoxy amphetamine;
- (14) 4-methyl-2, 5-dimethoxyamphetamine (DOM);
- (15) ibogaine;
- (16) lysergic acid diethylamide (LSD);
- (17) mescaline;
- (18) parahexyl;
- (19) N-ethyl-3-piperidyl benzilate;
- (20) N-methyl-3-piperidyl benzilate;
- (21) psilocybin;
- (22) psilocyn;
- (23) tenocyclidine (TPCP or TCP);
- (24) N-ethyl-1-phenyl-cyclohexylamine (PCE);
- (25) 1-(1-phenylcyclohexyl) pyrrolidine (PCPy);
- (26) 1-[1-(2-thienyl)cyclohexyl]-pyrrolidine (TCPy);
- (27) 4-chloro-2,5-dimethoxyamphetamine (DOC);
- (28) 4-ethyl-2,5-dimethoxyamphetamine (DOET);
- (29) 4-iodo-2,5-dimethoxyamphetamine (DOI);
- (30) 4-bromo-2,5-dimethoxyphenethylamine (2C-B);
- (31) 4-chloro-2,5-dimethoxyphenethylamine (2C-C);
- (32) 4-methyl-2,5-dimethoxyphenethylamine (2-CD);
- (33) 4-ethyl-2,5-dimethoxyphenethylamine (2C-E);
- (34) 4-iodo-2,5-dimethoxyphenethylamine (2C-I);
- (35) 4-propyl-2,5-dimethoxyphenethylamine (2C-P);
- (36) 4-isopropylthio-2,5-dimethoxyphenethylamine (2C-T-4);
- (37) 4-propylthio-2,5-dimethoxyphenethylamine (2C-T-7);
- (38) 2-(8-bromo-2,3,6,7-tetrahydrofuro [2,3-f][1]benzofuran-4-yl)ethanamine (2-CB-FLY);

- (39) bromo-benzodifuranyl-isopropylamine (Bromo-DragonFLY);
- (40) alpha-methyltryptamine (AMT);
- (41) N,N-diisopropyltryptamine (DiPT);
- (42) 4-acetoxy-N,N-dimethyltryptamine (4-AcO-DMT);
- (43) 4-acetoxy-N,N-diethyltryptamine (4-AcO-DET);
- (44) 4-hydroxy-N-methyl-N-propyltryptamine (4-HO-MPT);
- (45) 4-hydroxy-N,N-dipropyltryptamine (4-HO-DPT);
- (46) 4-hydroxy-N,N-diallyltryptamine (4-HO-DALT);
- (47) 4-hydroxy-N,N-diisopropyltryptamine (4-HO-DiPT);
- (48) 5-methoxy-N,N-diisopropyltryptamine (5-MeO-DiPT);
- (49) 5-methoxy- $\alpha$ -methyltryptamine (5-MeO-AMT);
- (50) 5-methoxy-N,N-dimethyltryptamine (5-MeO-DMT);
- (51) 5-methylthio-N,N-dimethyltryptamine (5-MeS-DMT);
- (52) 5-methoxy-N-methyl-N-propyltryptamine (5-MeO-MiPT);
- (53) 5-methoxy- $\alpha$ -ethyltryptamine (5-MeO-AET);
- (54) 5-methoxy-N,N-dipropyltryptamine (5-MeO-DPT);
- (55) 5-methoxy-N,N-diethyltryptamine (5-MeO-DET);
- (56) 5-methoxy-N,N-diallyltryptamine (5-MeO-DALT);
- (57) methoxetamine (MXE);
- (58) 5-iodo-2-aminoindane (5-IAI);
- (59) 5,6-methylenedioxy-2-aminoindane (MDAI) ;
- (60) 2-(4-iodo-2,5-dimethoxyphenyl)-N-[(2-methoxyphenyl)methyl]ethanamine (25I-NBOMe).

(e) Peyote. All parts of the plant presently classified botanically as *Lophophora williamsii* Lemaire, whether growing or not, the seeds thereof, any extract from any part of the plant, and every compound, manufacture, salts, derivative, mixture, or preparation of the plant, its seeds or extracts. The listing of peyote as a controlled substance in Schedule I does not apply to the nondrug use of peyote in bona fide religious ceremonies of the American Indian Church, and members of the American Indian Church are exempt from registration. Any person who manufactures peyote for or distributes peyote to the American Indian Church, however, is required to obtain federal registration annually and to comply with all other requirements of law.

(f) Central nervous system depressants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) mecloqualone;
- (2) methaqualone;
- (3) gamma-hydroxybutyric acid (GHB), including its esters and ethers;
- (4) flunitrazepam.

(g) Stimulants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) aminorex;
- (2) cathinone;
- (3) fenethylamine;
- (4) methcathinone;
- (5) methylaminorex;
- (6) N,N-dimethylamphetamine;
- (7) N-benzylpiperazine (BZP);
- (8) methylmethcathinone (mephedrone);
- (9) 3,4-methylenedioxy-N-methylcathinone (methylone);
- (10) methoxymethcathinone (methedrone);
- (11) methylenedioxypropylamphetamine (MDPV);
- (12) fluoromethcathinone;
- (13) methylethcathinone (MEC);
- (14) 1-benzofuran-6-ylpropan-2-amine (6-APB);
- (15) dimethylmethcathinone (DMMC);
- (16) fluoroamphetamine;
- (17) fluoromethamphetamine;
- (18)  $\alpha$ -methylaminobutyrophenone (MABP or buphedrone);

(19)  $\beta$ -keto-N-methylbenzodioxolylpropylamine (bk-MBDB or butylone);

(20) 2-(methylamino)-1-(4-methylphenyl)butan-1-one (4-MEMABP or BZ-6378);

(21) naphthylpyrovalerone (naphyrone); and

(22) any other substance, except bupropion or compounds listed under a different schedule, that is structurally derived from 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl, or thiophene ring systems, whether or not the compound is further modified in any of the following ways:

(i) by substitution in the ring system to any extent with alkyl, alkylendioxy, alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further substituted in the ring system by one or more other univalent substituents;

(ii) by substitution at the 3-position with an acyclic alkyl substituent;

(iii) by substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or methoxybenzyl groups; or

(iv) by inclusion of the 2-amino nitrogen atom in a cyclic structure.

(h) Marijuana, tetrahydrocannabinols, and synthetic cannabinoids. Unless specifically excepted or unless listed in another schedule, any natural or synthetic material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:

(1) marijuana;

(2) tetrahydrocannabinols naturally contained in a plant of the genus Cannabis, synthetic equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant, or synthetic substances with similar chemical structure and pharmacological activity to those substances contained in the plant or resinous extract, including, but not limited to, 1 cis or trans tetrahydrocannabinol, 6 cis or trans tetrahydrocannabinol, and 3,4 cis or trans tetrahydrocannabinol;

(3) synthetic cannabinoids, including the following substances:

(i) Naphthoylindoles, which are any compounds containing a 3-(1-naphthoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylindoles include, but are not limited to:

(A) 1-Pentyl-3-(1-naphthoyl)indole (JWH-018 and AM-678);

(B) 1-Butyl-3-(1-naphthoyl)indole (JWH-073);

(C) 1-Pentyl-3-(4-methoxy-1-naphthoyl)indole (JWH-081);

(D) 1-[2-(4-morpholinyl)ethyl]-3-(1-naphthoyl)indole (JWH-200);

(E) 1-Propyl-2-methyl-3-(1-naphthoyl)indole (JWH-015);

(F) 1-Hexyl-3-(1-naphthoyl)indole (JWH-019);

(G) 1-Pentyl-3-(4-methyl-1-naphthoyl)indole (JWH-122);

(H) 1-Pentyl-3-(4-ethyl-1-naphthoyl)indole (JWH-210);

(I) 1-Pentyl-3-(4-chloro-1-naphthoyl)indole (JWH-398);

(J) 1-(5-fluoropentyl)-3-(1-naphthoyl)indole (AM-2201).

(ii) Naphthylmethylindeles, which are any compounds containing a 1H-indol-3-yl-(1-naphthyl)methane structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethylindeles include, but are not limited to:

(A) 1-Pentyl-1H-indol-3-yl-(1-naphthyl)methane (JWH-175);

(B) 1-Pentyl-1H-indol-3-yl-(4-methyl-1-naphthyl)methan (JWH-184).

(iii) Naphthoylpyrroles, which are any compounds containing a 3-(1-naphthoyl)pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the pyrrole ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylpyrroles include, but are not limited to, (5-(2-fluorophenyl)-1-pentylpyrrol-3-yl)-naphthalen-1-ylmethanone (JWH-307).

(iv) Naphthylmethylindenes, which are any compounds containing a naphthylideneindene structure with substitution at the 3-position of the indene ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indene ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethylindenes include, but are not limited to, E-1-[1-(1-naphthalenylmethylene)-1H-inden-3-yl]pentane (JWH-176).

(v) Phenylacetylindoles, which are any compounds containing a 3-phenylacetylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent, whether or not substituted in the phenyl ring to any extent. Examples of phenylacetylindoles include, but are not limited to:

(A) 1-(2-cyclohexylethyl)-3-(2-methoxyphenylacetyl)indole (RCS-8);

(B) 1-pentyl-3-(2-methoxyphenylacetyl)indole (JWH-250);

(C) 1-pentyl-3-(2-methylphenylacetyl)indole (JWH-251);

(D) 1-pentyl-3-(2-chlorophenylacetyl)indole (JWH-203).

(vi) Cyclohexylphenols, which are compounds containing a 2-(3-hydroxycyclohexyl)phenol structure with substitution at the 5-position of the phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not substituted in the cyclohexyl ring to any extent. Examples of cyclohexylphenols include, but are not limited to:

(A) 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP 47,497);

(B) 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (Cannabicyclohexanol or CP 47,497 C8 homologue);

(C) 5-(1,1-dimethylheptyl)-2-[(1R,2R)-5-hydroxy-2-(3-hydroxypropyl)cyclohexyl]-phenol (CP 55,940).

(vii) Benzoylindoles, which are any compounds containing a 3-(benzoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent. Examples of benzoylindoles include, but are not limited to:

(A) 1-Pentyl-3-(4-methoxybenzoyl)indole (RCS-4);

(B) 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole (AM-694);

(C) (4-methoxyphenyl-[2-methyl-1-(2-(4-morpholinyl)ethyl)indol-3-yl]methanone (WIN 48,098 or Pravadoline).

(viii) Others specifically named:

(A) (6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (HU-210);

(B) (6aS,10aS)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (Dexanabinol or HU-211);

(C) 2,3-dihydro-5-methyl-3-(4-morpholinylmethyl)pyrrolo[1,2,3-de]-1,4-benzoxazin-6-yl-1-naphthalenylmethanone (WIN 55,212-2);

(D) (1-pentylindol-3-yl)-(2,2,3,3-tetramethylcyclopropyl)methanone (UR-144);

(E) (1-(5-fluoropentyl)-1H-indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)methanone (XLR-11);

(F) 1-pentyl-N-tricyclo[3.3.1.1<sup>3,7</sup>]dec-1-yl-1H-indazole-3-carboxamide (AKB-48(APINACA));

(G) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide (5-Fluoro-AKB-48);

(H) 1-pentyl-8-quinolinyl ester-1H-indole-3-carboxylic acid (PB-22);

(I) 8-quinolinyl ester-1-(5-fluoropentyl)-1H-indole-3-carboxylic acid (5-Fluoro PB-22).

(i) A controlled substance analog, to the extent that it is implicitly or explicitly intended for human consumption.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date."

Page 10, line 10, strike "and"

Page 10, line 14, strike the period and insert "; and"

Page 10, after line 14, insert:

"(9) personnel of the Department of Human Services assigned to access the data pursuant to paragraph (h)."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1117, A bill for an act relating to human services; modifying provisions related to chemical and mental health and human services licensing; establishing methadone treatment program standards; modifying drug treatment provisions; adding to the list of Schedule I controlled substances; amending Minnesota Statutes 2012, sections 152.01, subdivision 5a; 152.02, subdivision 2; 152.126, subdivision 6; 254B.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245A.

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

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

Those who voted in the affirmative were:

Abeler	Dehn, R.	Hausman	Lien	Newton	Simonson
Albright	Dettmer	Hertaus	Lillie	Nornes	Slocum
Allen	Dorholt	Hilstrom	Loeffler	O'Driscoll	Sundin
Anderson, M.	Drazkowski	Holberg	Lohmer	O'Neill	Swedzinski
Anderson, P.	Erhardt	Hoppe	Loon	Paymar	Theis
Anderson, S.	Erickson, R.	Hornstein	Mack	Pelowski	Torkelson
Anzelc	Erickson, S.	Hortman	Mahoney	Peppin	Uglen
Atkins	Fabian	Howe	Mariani	Persell	Urdahl
Barrett	Falk	Huntley	Marquart	Poppe	Wagenius
Beard	Faust	Isaacson	Masin	Pugh	Ward, J.A.
Benson, J.	Fischer	Johnson, B.	McNamar	Quam	Ward, J.E.
Benson, M.	FitzSimmons	Johnson, C.	McNamara	Radinovich	Wills
Bernardy	Franson	Johnson, S.	Melin	Rosenthal	Winkler
Bly	Freiberg	Kahn	Metsa	Runbeck	Woodard
Brynaert	Fritz	Kelly	Moran	Sanders	Yarusso
Carlson	Garofalo	Kieffer	Morgan	Savick	Zellers
Clark	Green	Kiel	Mullery	Sawatzky	Zerwas
Cornish	Gruenhagen	Kresha	Murphy, E.	Schoen	Spk. Thissen
Daudt	Hackbarth	Laine	Murphy, M.	Schomacker	
Davids	Halverson	Leidiger	Myhra	Scott	
Davnie	Hamilton	Lenczewski	Nelson	Selcer	
Dean, M.	Hansen	Liebling	Newberger	Simon	

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

H. F. No. 634 was reported to the House.

Falk moved to amend H. F. No. 634, the first engrossment, as follows:

Page 5, delete section 17

Reorder the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 634, A bill for an act relating to commerce; weights and measures; adding a requirement for identical product pricing; making technical updates to bring state into compliance with most recent federal fuel standards; establishing a minimum octane rating; modifying disclosure requirements for biodiesel and biofuel blends; modifying E85 requirements; amending Minnesota Statutes 2012, sections 239.751, by adding a subdivision; 239.761, subdivisions 3, 4, 5, 6, 7, 8, 10, 11, 13, 16, 17, by adding a subdivision; 239.77, subdivisions 1, 4; 239.791, subdivision 8.

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 118 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hilstrom	Lien	Newberger	Simonson
Albright	Dorholt	Holberg	Lillie	Newton	Slocum
Allen	Drazkowski	Hoppe	Loeffler	Nornes	Sundin
Anderson, P.	Erhardt	Hornstein	Loon	O'Driscoll	Swedzinski
Anderson, S.	Erickson, R.	Hortman	Mack	O'Neill	Theis
Anzelc	Erickson, S.	Howe	Mahoney	Paymar	Torkelson
Atkins	Fabian	Huntley	Mariani	Pelowski	Uglen
Barrett	Falk	Isaacson	Marquart	Persell	Urdahl
Beard	Faust	Johnson, B.	Masin	Poppe	Wagenius
Benson, J.	Fischer	Johnson, C.	McNamar	Quam	Ward, J.A.
Benson, M.	Franson	Johnson, S.	McNamara	Radinovich	Ward, J.E.
Bernardy	Freiberg	Kahn	Melin	Rosenthal	Wills
Bly	Fritz	Kelly	Metsa	Runbeck	Winkler
Brynaert	Garofalo	Kieffer	Moran	Sanders	Woodard
Carlson	Green	Kiel	Morgan	Savick	Yarusso
Clark	Gruenhagen	Kresha	Mullery	Sawatzky	Zellers
Cornish	Halverson	Laine	Murphy, E.	Schoen	Zerwas
Daudt	Hamilton	Leidiger	Murphy, M.	Schomacker	Spk. Thissen
Davnie	Hansen	Lenczewski	Myhra	Selcer	
Dehn, R.	Hausman	Liebling	Nelson	Simon	

Those who voted in the negative were:

Anderson, M.	Dean, M.	Hackbarth	Lohmer	Pugh
Davids	FitzSimmons	Hertaus	Peppin	Scott

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

H. F. No. 902, A bill for an act relating to cosmetologists; establishing continuing education requirements; amending Minnesota Statutes 2012, section 155A.27, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 155A.

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 79 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorholt	Huntley	Mariani	Nornes	Sundin
Allen	Erhardt	Isaacson	Marquart	Paymar	Theis
Anderson, S.	Erickson, R.	Johnson, B.	Masin	Pelowski	Uglem
Anzelc	Falk	Johnson, C.	McNamar	Persell	Wagenius
Atkins	Faust	Johnson, S.	McNamara	Poppe	Ward, J.A.
Benson, J.	Fischer	Kahn	Melin	Radinovich	Ward, J.E.
Bernardy	Freiberg	Laine	Metsa	Rosenthal	Winkler
Bly	Fritz	Lenczewski	Moran	Savick	Yarusso
Brynaert	Halverson	Lesch	Morgan	Sawatzky	Spk. Thissen
Carlson	Hansen	Liebling	Mullery	Schoen	
Clark	Hausman	Lien	Murphy, E.	Selcer	
Cornish	Hilstrom	Lillie	Murphy, M.	Simon	
Davnie	Hornstein	Loon	Nelson	Simonson	
Dehn, R.	Hortman	Mahoney	Newton	Slocum	

Those who voted in the negative were:

Albright	Dettmer	Hackbarth	Kresha	Pugh	Wills
Anderson, M.	Drazkowski	Hamilton	Leidiger	Quam	Woodard
Anderson, P.	Erickson, S.	Hertaus	Lohmer	Runbeck	Zellers
Barrett	Fabian	Holberg	Mack	Sanders	Zerwas
Beard	FitzSimmons	Hoppe	Myhra	Schomacker	
Benson, M.	Franson	Howe	Newberger	Scott	
Daudt	Garofalo	Kelly	O'Driscoll	Swedzinski	
Davids	Green	Kieffer	O'Neill	Torkelson	
Dean, M.	Gruenhagen	Kiel	Peppin	Urdahl	

The bill was passed and its title agreed to.

Dehn, R., was excused for the remainder of today's session.

S. F. No. 380, A bill for an act relating to workforce development; adding a representative from adult basic education programs to the Workforce Development Council; amending Minnesota Statutes 2012, section 116L.665, subdivision 2.

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 3 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, M.	Anzelc	Beard	Bernardy	Carlson
Albright	Anderson, P.	Atkins	Benson, J.	Bly	Clark
Allen	Anderson, S.	Barrett	Benson, M.	Brynaert	Cornish

Daudt	Gruenhagen	Kelly	Masin	Pelowski	Slocum
Davids	Hackbarth	Kieffer	McNamar	Peppin	Sundin
Davnie	Halverson	Kiel	McNamara	Persell	Swedzinski
Dean, M.	Hamilton	Kresha	Melin	Poppe	Theis
Dettmer	Hansen	Laine	Metsa	Pugh	Torkelson
Dorholt	Hausman	Leidiger	Moran	Quam	Uglen
Erhardt	Hertaus	Lenczewski	Morgan	Radinovich	Urdahl
Erickson, R.	Hilstrom	Lesch	Mullery	Rosenthal	Wagenius
Erickson, S.	Hoppe	Liebling	Murphy, E.	Runbeck	Ward, J.A.
Fabian	Hornstein	Lien	Murphy, M.	Sanders	Ward, J.E.
Falk	Hortman	Lillie	Myhra	Savick	Wills
Faust	Howe	Loeffler	Nelson	Sawatzky	Winkler
Fischer	Huntley	Lohmer	Newberger	Schoen	Woodard
Franson	Isaacson	Loon	Newton	Schomacker	Yarusso
Freiberg	Johnson, B.	Mack	Nornes	Scott	Zellers
Fritz	Johnson, C.	Mahoney	O'Driscoll	Selcer	Zerwas
Garofalo	Johnson, S.	Mariani	O'Neill	Simon	Spk. Thissen
Green	Kahn	Marquart	Paymar	Simonson	

Those who voted in the negative were:

Drazkowski      FitzSimmons      Holberg

The bill was passed and its title agreed to.

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

Murphy, E., from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Tuesday, May 7, 2013 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 956 and 740; S. F. No. 521; H. F. Nos. 542 and 80; S. F. No. 748; and H. F. Nos. 854, 228 and 1000.

There being no objection, the order of business reverted to Messages from the Senate.

#### 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:

H. F. No. 1400, A bill for an act relating to public safety; modifying certain provisions regarding domestic abuse; amending Minnesota Statutes 2012, sections 518B.01, subdivision 14, by adding a subdivision; 609.2242, subdivision 2; 609.748, subdivision 6; 629.75, subdivision 2, by adding a subdivision; 634.20.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 459, A bill for an act relating to children's health; prohibiting sale of children's food containers containing bisphenol-A; proposing coding for new law in Minnesota Statutes, chapter 325F.

JOANNE M. ZOFF, Secretary of the Senate

Atkins moved that the House refuse to concur in the Senate amendments to H. F. No. 459, 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 the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1270, A bill for an act relating to transportation; modifying provisions governing transportation and public safety policies, including highway signs, highway jurisdictions, accounts, state-aid definitions and variances, vehicle registration and license plates, record retention, conformance with federal law, motor vehicle dealers, type III vehicles, bicycle lanes, speed limit, disability parking, school bus safety, vehicle weights, background checks, senior identification cards, Department of Transportation offices and ombudsperson and surplus land, railroad crossing signs, bus rapid transit, transit planning, operations, and accessibility, and land conveyance; amending Minnesota Statutes 2012, sections 160.80, subdivisions 1, 1a, 2; 161.04, subdivision 5; 161.115, subdivision 229, by adding a subdivision; 161.1231, subdivision 8; 161.44, by adding a subdivision; 162.02, subdivision 3a; 162.09, subdivision 3a; 162.13, subdivision 2; 168.017, subdivisions 2, 3; 168.053, subdivision 1; 168.123, subdivision 2; 168.183, subdivision 1; 168.187, subdivision 17; 168.27, subdivisions 10, 11, by adding a subdivision; 168A.153, subdivisions 1, 2, 3, by adding a subdivision; 168B.15; 169.011, subdivision 71; 169.14, subdivision 2; 169.18, subdivisions 4, 7; 169.19, subdivision 1; 169.34, subdivision 1; 169.346, subdivision 2, by adding a subdivision; 169.443, subdivision 9; 169.447, subdivision 2; 169.454, subdivision 12; 169.824, subdivision 2; 171.01, subdivision 49b; 171.07, subdivisions 3a, 4; 171.12, subdivision 6; 174.02, by adding a subdivision; 174.24, subdivision 5a; 219.17; 219.18; 219.20; 221.0314, subdivisions 2, 3a, 9a; 398A.04, by adding a subdivision; Laws 2002, chapter 393, section 85; Laws 2009, chapter 59, article 3, section 4, subdivision 9, as amended; proposing coding for new law in Minnesota Statutes, chapters 171; 174; repealing Minnesota Statutes 2012, sections 168.094; 174.24, subdivision 5; Minnesota Rules, parts 8820.3300, subpart 2; 8835.0330, subpart 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Dibble, Kent, Carlson, Jensen and Pederson, J.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

JOANNE M. ZOFF, Secretary of the Senate

Erhardt moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1270. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1234.

JOANNE M. ZOFF, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 1234, A bill for an act relating to workers' compensation; making various policy and housekeeping changes; adopting advisory council recommendations; requiring a report; amending Minnesota Statutes 2012, sections 176.011, subdivisions 15, 16; 176.081, subdivisions 1, 7; 176.101, subdivision 1; 176.102, subdivisions 3a, 5, 10; 176.106, subdivisions 1, 3; 176.129, subdivision 13; 176.136, subdivision 1b; 176.138; 176.183, subdivision 4; 176.245; 176.521; 176.645; 176.83, subdivision 5.

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

### **ANNOUNCEMENT BY THE SPEAKER**

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1270:

Erhardt, Hornstein, Masin, Sawatzky and Hamilton.

### **MOTIONS AND RESOLUTIONS**

Benson, M., moved that his name be stricken as an author on H. F. No. 629. The motion prevailed.

Selcer moved that the name of Bernardy be added as an author on H. F. No. 1016. The motion prevailed.

Clark moved that the names of Liebling and Fischer be added as authors on H. F. No. 1054. The motion prevailed.

Kahn moved that the name of Newton be added as an author on H. F. No. 1821. The motion prevailed.

Mahoney moved that H. F. No. 1214, now on the General Register, be re-referred to the Committee on Commerce and Consumer Protection Finance and Policy. The motion prevailed.

ADJOURNMENT

Murphy, E., moved that when the House adjourns today it adjourn until 12:00 noon, Monday, May 6, 2013. The motion prevailed.

Murphy, E., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Monday, May 6, 2013.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

