## TWENTY-THIRD DAY

St. Paul, Minnesota, Thursday, March 10, 2011

The Senate met at 11:00 a.m. and was called to order by the President.

## **CALL OF THE SENATE**

Senator Koch imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Paul Rogers.

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

The roll was called, and the following Senators answered to their names:

| Anderson    | Fischbach    | Kelash   | Newman     | Scheid     |
|-------------|--------------|----------|------------|------------|
| Bakk        | Gazelka      | Koch     | Nienow     | Senjem     |
| Benson      | Gerlach      | Kruse    | Olson      | Sheran     |
| Berglin     | Gimse        | Langseth | Ortman     | Sieben     |
| Bonoff      | Goodwin      | Latz     | Pappas     | Skoe       |
| Brown       | Hall         | Lillie   | Parry      | Sparks     |
| Carlson     | Hann         | Limmer   | Pederson   | Stumpf     |
| Chamberlain | Harrington   | Lourey   | Pogemiller | Thompson   |
| Cohen       | Higgins      | Magnus   | Reinert    | Tomassoni  |
| Dahms       | Hoffman      | Marty    | Rest       | Torres Ray |
| Daley       | Howe         | Metzen   | Robling    | Vandeveer  |
| DeKruif     | Ingebrigtsen | Miller   | Rosen      | Wiger      |
| Dibble      | Jungbauer    | Nelson   | Saxhaug    | Wolf       |

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

### **EXECUTIVE AND OFFICIAL COMMUNICATIONS**

The following communication was received.

March 7, 2011

The Honorable Michelle L. Fischbach President of the Senate

Dear Madam Fischbach:

Please be advised that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 40.

Sincerely, Mark Dayton, Governor

#### REPORTS OF COMMITTEES

Senator Koch moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

# Senator Gerlach from the Committee on Commerce and Consumer Protection, to which was referred

**S.F. No. 524:** A bill for an act relating to commerce; prohibiting certain practices relating to the management of certain properties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after the period, insert "An owner of a common interest community, as defined in chapter 515B, means the unit owners' association organized under section 515B.3-101."

Page 1, line 15, delete "Prohibition of ownership of" and insert "Interest of property management company in"

Page 1, line 18, after "unless" insert "the interest has been"

Page 1, line 19, delete "consented to" and insert "disclosed" and delete "by" and insert "to" and after "owners" insert "at least three days prior to the execution of a contract for the work"

Page 1, line 21, delete everything after the third period

Page 1, line 22, delete "owners,"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary and Public Safety. Amendments adopted. Report adopted.

## Senator Gimse from the Committee on Transportation, to which was referred

**S.F. No. 135:** A bill for an act relating to motor vehicles; authorizing special highway 14 plates; appropriating funds; proposing coding for new law in Minnesota Statutes, chapter 168.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [168.1299] SPECIAL HIGHWAY 14 PLATES.

Subdivision 1. Plate issuance. The commissioner shall issue special highway 14 plates or a

single motorcycle plate to an applicant who:

- (1) is a registered owner of a passenger automobile, one-ton pickup truck, motorcycle, or recreational motor vehicle;
  - (2) pays the fee as required under section 168.12, subdivision 5;
  - (3) pays the registration tax as required under section 168.013;
  - (4) pays any other fees required under this chapter;
- (5) complies with this chapter and rules governing the registration of motor vehicles and licensing of drivers; and
  - (6) makes an additional onetime contribution of at least \$30.
- Subd. 2. **Design.** The commissioner shall create a design or emblem for the special plate in consultation with the U.S. Highway 14 Partnership. The special plate must bear the inscription "SUPPORT HIGHWAY 14" at the bottom of the plate.
- Subd. 3. Compliance with other law. License plates issued under this section are not subject to section 168.1293, subdivision 2.
- Subd. 4. Contribution funds; Trunk Highway 14 account. (a) A Trunk Highway 14 account is created in the special revenue fund. The account consists of money contributed under subdivision 1, clause (6), and any other money donated, allotted, transferred, or otherwise provided to the account.
- (b) Of the first dollars deposited in the account, an amount equal to the total start-up costs associated with the development and issuance of the special plates is appropriated to the commissioner of public safety.
- (c) All money remaining in the account after the appropriation under paragraph (b) is appropriated to the commissioner of transportation.
- (d) The appropriation to the commissioner of transportation under paragraph (c) may be used solely for construction or reconstruction of segments of Legislative Route No. 7, signed as Trunk Highway 14 on the effective date of this section, as a freeway, as defined in section 160.02, subdivision 19, with at least two lanes of traffic in each direction.
- (e) The appropriation to the commissioner of transportation under paragraph (c) does not change the trunk highway funding allocation process or formula used by the Minnesota Department of Transportation, or the amount otherwise allocated to each transportation district.
- Subd. 5. Transfers; fee. On application to the commissioner and payment of a transfer fee of \$5, special plates may be transferred to another motor vehicle if the subsequent vehicle is (1) eligible for the special plates, and (2) registered to the same individual to whom the special plates were originally issued. Only a plate originally issued for a motorcycle may be transferred to a motorcycle.

## **EFFECTIVE DATE.** This section is effective January 1, 2012."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

## Senator Gimse from the Committee on Transportation, to which was referred

**S.F. No. 179:** A bill for an act relating to motor vehicles; expanding eligibility for gold star license plates to surviving legal guardians and siblings; amending Minnesota Statutes 2010, section 168.1253, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

## Senator Gimse from the Committee on Transportation, to which was referred

**S.F. No. 340:** A bill for an act relating to public safety; providing for special "MN supports family farmers" license plates; proposing coding for new law in Minnesota Statutes, chapter 168.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, after "<u>automobile</u>" insert ", <u>one-ton pickup truck, motorcycle, or recreational</u> motor vehicle"

Page 1, line 11, delete "and"

Page 1, after line 11, insert:

"(3) pays the registration tax as required under section 168.013; and"

Page 1, line 12, delete "(3)" and insert "(4)"

Page 1, line 14, after "commissioner" insert ", in consultation with organizations that represent Minnesota farmers," and delete "so that it" and insert a period

Page 1, delete line 15

Page 1, line 17, after "<u>automobile</u>" insert "<u>, one-ton pickup truck, motorcycle, or recreational</u> motor vehicle"

Page 1, line 21, delete "this section" and insert "subdivision 1, clause (2),"

Page 1, line 22, delete " $\underline{general}$ " and insert " $\underline{vehicle\ services\ operating\ account\ in\ the\ special\ revenue"}$ 

Page 1, after line 22, insert:

"**EFFECTIVE DATE.** This section is effective January 1, 2012."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

## Senator Gimse from the Committee on Transportation, to which was referred

**S.F. No. 393:** A bill for an act relating to motor vehicles; establishing special plates for retired firefighters; amending Minnesota Statutes 2010, section 168.12, subdivision 2b, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 23, delete everything after "department"

Page 2, line 24, delete everything before the comma and insert "defined in section 299N.01, subdivision 2, has a letter from the fire chief affirming that the applicant is a retired firefighter who served ten or more years and separated in good standing"

Page 3, after line 2, insert:

"(e) This subdivision is exempt from section 168.1293.

## Sec. 3. EFFECTIVE DATE.

This act is effective January 1, 2012."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

# Senator Gimse from the Committee on Transportation, to which was referred

**S.F. No. 478:** A bill for an act relating to motor vehicles; providing for disability motorcycle plate; amending Minnesota Statutes 2010, sections 168.021; 169.345, subdivisions 1, 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

#### Senator Michel from the Committee on Jobs and Economic Growth, to which was referred

**S.F. No. 488:** A bill for an act relating to employment; modifying overtime requirements for certain air carrier employees; amending Minnesota Statutes 2010, section 177.25, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

# Senator Gerlach from the Committee on Commerce and Consumer Protection, to which was referred

**S.F. No. 425:** A bill for an act relating to commerce; regulating certain practices with respect to event tickets; establishing minimum standards for consumer protection; proposing coding for new law in Minnesota Statutes, chapter 325E; repealing Minnesota Statutes 2010, section 609.807.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

## "Section 1. [325E.68] DEFINITIONS.

Subdivision 1. **Terms.** For purposes of sections 325E.68 to 325E.70, the terms defined in this section have the meanings given.

Subd. 2. **Event.** "Event" means a concert, theatrical performance, sporting event, exhibition, show, or similar scheduled activity taking place in this state:

- (1) that is open to the general public;
- (2) for which an admission fee is charged; and
- (3) that is held in a venue accommodating more than 2,500 persons, including, but not limited to, those venues for which public funding has been provided for the construction, maintenance, or operation of the venue or any infrastructure related to it, or which is located on property owned by a municipality or other government entity.
- Subd. 3. **Event ticket.** "Event ticket" means the physical, electronic, or other form of a certificate, document, voucher, token, or other evidence indicating that the bearer, possessor, or person entitled to possession through purchase or otherwise has:
- (1) a revocable or irrevocable right, privilege, or license to enter an event venue or occupy a particular seat or area in an event venue with respect to one or more events; or
- (2) an entitlement to purchase a right, privilege, or license with respect to one or more future events.
- Subd. 4. **Resale.** "Resale" includes a form of transfer or alienation, or offering for transfer or alienation, or possession or entitlement to possession of an event ticket from one person to another, with or without consideration, whether in person or by means of telephone, mail, delivery service, facsimile, Internet, e-mail, or other electronic means. Resale does not include the initial sale of an event ticket by the ticket issuer.
- Subd. 5. **Ticket issuer.** "Ticket issuer" means a person that makes event tickets available, directly or indirectly, for initial sale to the general public, and may include the operator of a venue, the sponsor or promoter of an event, a sports team participating in an event or a league whose teams are participating in an event, a theater company, musical group, or similar participant in an event, or an agent of any such person. Ticket issuer does not include the State Agricultural Society, the Minnesota State High School League and its members, the Minnesota Amateur Sports Commission, or a person involved in or facilitating ticket resale.
- Subd. 6. Venue. "Venue" means the theater, stadium, field, hall, or other facility where an event takes place.

## Sec. 2. [325E.70] FREE MARKET IN RESALE OF EVENT TICKETS.

Subdivision 1. **Prohibition.** It is unlawful for a ticket issuer to prohibit or restrict the resale or offering for resale of an event ticket by a lawful possessor of the ticket.

- Subd. 2. **Prohibited acts.** Ticket issuers are prohibited from engaging in the following acts:
- (1) purporting to impose license or contractual terms on the initial sale of event tickets including, but not limited to, terms printed on the back of a physical ticket that prohibit resale of the ticket, or that restrict the price or other terms and conditions under which a ticket may be resold or transferred;
- (2) requiring the purchaser of a ticket, whether for a single event or for a series or season of events, to agree not to resell the ticket, or to resell the ticket only through a specific channel approved by the ticket issuer;
  - (3) bringing legal action, based on an unlawful prohibition or restriction on resale of an event

ticket, against:

- (i) a purchaser who resells or offers to resell an event ticket without permission of the ticket issuer, or in violation of a restriction purportedly imposed by the ticket issuer;
- (ii) persons who facilitate or provide services for the resale of event tickets without permission or in alleged violation of a restriction; or
- (iii) the operator of a physical or electronic marketplace in which a ticket is offered for resale without permission or in alleged violation of a restriction;
- (4) imposing a penalty on a ticket purchaser who resells or offers to resell an event ticket without permission or in violation of a restriction purportedly imposed by the ticket issuer, or treating a purchaser in any material way less favorably than a similarly situated purchaser who does not resell or offer to resell an event ticket, or who complies with resale restrictions purportedly imposed by the ticket issuer;
- (5) employing technological means for the purpose or with the foreseeable effect of prohibiting or restricting the resale of event tickets including, but not limited to, issuing event tickets in an electronic form that is not readily transferrable to a subsequent purchaser, or conditioning entry into the venue on presentation of a token, such as the original purchaser's credit card or state-issued identification card, that cannot be readily transferred to a subsequent purchaser; or
- (6) seeking to limit or restrict the price, or to impose a minimum or maximum price, at which an event ticket may be resold.

### Sec. 3. EFFECTIVE DATE.

This act is effective August 1, 2011."

Delete the title and insert:

"A bill for an act relating to commerce; regulating certain practices with respect to event tickets; proposing coding for new law in Minnesota Statutes, chapter 325E."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary and Public Safety. Amendments adopted. Report adopted.

# Senator Gerlach from the Committee on Commerce and Consumer Protection, to which was referred

**S.F. No. 551:** A bill for an act relating to liquor; authorizing cities to issue license for a stadium or ballpark for the purposes of summer collegiate league baseball games; amending Minnesota Statutes 2010, section 340A.404, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 7, after "to" insert "a person who is the owner of a summer collegiate league baseball team, or to a person holding a concessions or management contract with the owner, for beverage sales at"

Amend the title accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

# Senator Gerlach from the Committee on Commerce and Consumer Protection, to which was referred

**S.F. No. 191:** A bill for an act relating to insurance; enacting the recommendation of the Small Group Health Insurance Market Working Group by repealing a requirement that small employers that do not offer group health coverage either offer, or file a form with the state stating a decision not to offer, a Section 125 plan through which employees may contribute wages to a pretax account from which to pay for individual health insurance; repealing Minnesota Statutes 2010, section 62U.07.

Reports the same back with the recommendation that the bill do pass. Report adopted.

# Senator Ingebrigtsen from the Committee on Environment and Natural Resources, to which was referred

**S.F. No. 138:** A bill for an act relating to game and fish; requiring rulemaking to allow spearing on Cass Lake.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State Government Innovation and Veterans. Report adopted.

### Senator Olson from the Committee on Education, to which was referred

**S.F. No. 331:** A bill for an act relating to early childhood education; creating an early childhood education scholarship finance system; providing tax credits for training and retaining early education workers; improving quality early childhood education programming; appropriating money; amending Minnesota Statutes 2010, sections 119B.09, subdivision 5; 119B.13, subdivision 3a; 124D.15, subdivisions 3, 3a; 270B.14, subdivision 1, by adding a subdivision; 290.01, subdivisions 19a, 19c; 290.0674, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 119C; repealing Minnesota Statutes 2010, section 124D.16, subdivisions 2, 3, 5, 6, 7.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### EARLY CHILDHOOD EDUCATION ACCOUNTABILITY AND SCHOLARSHIPS

Section 1. Minnesota Statutes 2010, section 119B.09, subdivision 5, is amended to read:

Subd. 5. **Provider choice.** Parents who reside in a Parent Aware Plus region as defined in section 119C.03, subdivision 5, must choose a rated provider under section 119C.01, subdivision 7, for their three- and four-year-old children, unless a waiver is granted by the commissioner. Parents who do not reside in a Parent Aware Plus region may choose child care providers as defined under section 119B.011, subdivision 19, that best meet the needs of their family. Counties shall make resources available to parents in choosing quality child care services. Counties may require a parent to sign a release stating their knowledge and responsibilities in choosing a legal provider described under

section 119B.011, subdivision 19. When a county knows that a particular provider is unsafe, or that the circumstances of the child care arrangement chosen by the parent are unsafe, the county may deny a child care subsidy. A county may not restrict access to a general category of provider allowed under section 119B.011, subdivision 19.

- Sec. 2. Minnesota Statutes 2010, section 119B.13, subdivision 3a, is amended to read:
- Subd. 3a. **Provider rate differential for accreditation.** (a) A family child care provider or child care center shall be paid a 15 percent differential above the maximum rate established in subdivision 1, up to the actual provider rate, if: (1) the provider or center holds a current early childhood development credential or is accredited; or (2) the provider is a Parent Aware rated four-star program under chapter 119C.
- (b) For a family child care provider, early childhood development credential and accreditation includes an individual who has earned a child development associate degree, a child development associate credential, a diploma in child development from a Minnesota state technical college, or a bachelor's or post baccalaureate degree in early childhood education from an accredited college or university, or who is accredited by the National Association for Family Child Care or the Competency Based Training and Assessment Program. For a child care center, accreditation includes accreditation by the National Association for the Education of Young Children, the Council on Accreditation, the National Early Childhood Program Accreditation, the National School-Age Care Association, or the National Head Start Association Program of Excellence. For Montessori programs, accreditation includes the American Montessori Society, Association of Montessori International-USA, or the National Center for Montessori Education.

## Sec. 3. [119C.01] DEFINITIONS.

Subdivision 1. **Definitions.** The terms defined in this section apply to this chapter.

- Subd. 2. Commissioner. "Commissioner" means the commissioner of human services.
- Subd. 3. Eligible program. "Eligible program" means a licensed center-based child care program under chapter 245A, or licensed family child care program under chapter 245A.
- Subd. 4. Parent Aware. "Parent Aware" means the voluntary evidence-based quality rating and improvement system for early childhood education under section 119C.02.
- Subd. 5. Parent Aware Plus regions. "Parent Aware Plus regions" means Parent Aware regions as designated by the commissioner under section 119C.03, subdivision 5.
- Subd. 6. Parent Aware region. "Parent Aware region" means a geographic area approved by the commissioner under section 119C.03.
- Subd. 7. **Rated program.** "Rated program" means an eligible program in a Parent Aware region that receives one, two, three, or four stars.

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

### Sec. 4. [119C.02] PARENT AWARE.

Subdivision 1. **Department of Human Services; request for proposal.** The Department of Human Services must develop a request for proposal for an organization to: (1) develop the methods

used to verify, assess, and monitor program compliance with the standards, including review of and action on applications; (2) conduct on-site assessments, if applicable; (3) develop and maintain a data quality management system for compiling all data used to calculate program ratings and related procedures for ensuring data quality and integrity; and (4) coordinate a system for sharing ratings and related quality information with the public. The commissioner must consult with the Minnesota Early Learning Foundation to design the request for proposal. Eligible responders include units of state and local governments, nonprofit organizations, research organizations, and educational institutions. The commissioner shall issue a request for proposal by July 30, 2011. The commissioner shall issue a contract by October 31, 2011. The contract is valid for three years. By July 30, 2014, and every three years thereafter, the commissioner must consult with the Minnesota Early Learning Foundation or its designated successor organization to review and update the request for proposal. The contract must be issued by October 31 of that year and every three years thereafter. The Minnesota Early Learning Foundation and its designated successor organization are consultants to the commissioner on the request for proposal and are not eligible responders.

- Subd. 2. **Criteria; measure.** (a) Parent Aware must use quality ratings shown to be linked to improving children's school readiness outcomes and must evaluate, at a minimum, how programs perform in the following areas:
  - (1) family partnerships;
  - (2) tracking learning;
  - (3) teacher training and education; and
  - (4) teaching materials and strategies.
- (b) The commissioner, in coordination with the commissioner of education, must establish and regularly update the standards and indicators that determine program quality for the quality rating system. In fiscal year 2012 and later, the commissioner must use the Minnesota quality rating system tool in use in fiscal year 2011, the results of the evaluations of that quality rating system, and the recommendations in the report required under section 124D.142.
- (c) Ratings must be indicated using stars. Four stars is the best possible rating. No stars means the program has not been rated.
- Subd. 3. **Rated programs.** At least twice each year, beginning June 30, 2012, the contract entity awarded the contract in subdivision 1 must submit a list of rated programs to the commissioner. The list of rated programs serves as the commissioner's rating. The commissioner's decision is final.
- Subd. 4. Evaluation. The commissioner shall contract with an independent private organization to use private funds to evaluate the Parent Aware quality rating system if sufficient private funding is available. The evaluation must incorporate rating levels and outcome-based data reflecting child progress toward school readiness. The evaluation must also include recommendations on continued monitoring and improvement of the correlation between rating levels and outcome-based child progress toward school readiness. The commissioner shall make available to the independent private organization any data requested by the organization consistent with chapter 13 and at no cost to the organization.

## Sec. 5. [119C.03] SELECTION PROCESS FOR PARENT AWARE REGIONS.

- Subdivision 1. **Designation of Parent Aware regions.** For the purposes of this section, Parent Aware regions are the economic development regions as designated by the governor under section 462.385.
- Subd. 2. **Application process.** The commissioner shall develop an application process to select new Parent Aware regions using the following criteria:
- (1) the percentage of preschool-aged children who are from families with income equal to or less than 47 percent of the state median income;
- (2) the region's demonstrated efforts to use existing public and private resources to improve program quality in alignment with Parent Aware quality standards;
- (3) the level of community support, especially support of the counties and local representatives of child care centers and licensed family child care homes; and
  - (4) the demonstration of quality improvement support from local nonprofits and foundations.
- Subd. 3. **Application preparation.** A resource and referral organization under section 119B.19 must prepare and submit the application for their region for approval under subdivision 4 to become a Parent Aware region in coordination with local partners.
- Subd. 4. **Region approval.** The commissioner shall develop an application process by December 1, 2011. A region may apply beginning February 1, 2012, to become a Parent Aware region. Economic development regions 9, 10, and 11 are automatically approved as Parent Aware regions beginning in fiscal year 2012. The commissioner shall approve the first Parent Aware region by June 30, 2012, and shall approve all regions as Parent Aware regions by June 30, 2015.
- Subd. 5. Parent Aware Plus regions; commissioner approval. The commissioner must designate a Parent Aware region as a Parent Aware Plus region when there is a sufficient number of programs rated for each program type. The commissioner must also consider, at a minimum, the following criteria when designating Parent Aware Plus regions: (1) the distribution of rated programs by eligible program type within a region; (2) the amount of funding available for scholarships in the region; and (3) the distribution of the population of low-income preschool-aged children in the region. The commissioner must also designate Hennepin County, the city of St. Paul, Blue Earth County, and Nicollet County as Parent Aware Plus regions beginning in fiscal year 2012 and allow those regions to continue using the existing model of the Parent Aware quality rating system in fiscal year 2012. For the purposes of provider choice under section 119B.09, subdivision 5, Parent Aware Plus regions would not be implemented prior to January 1 of the year in which the region is approved as a Parent Aware Plus region.

#### Sec. 6. [119C.04] EARLY CHILDHOOD EDUCATION SCHOLARSHIPS.

Subdivision 1. Early childhood education scholarship locations. In fiscal year 2012 and later, the commissioner shall make scholarships available in the Parent Aware Plus regions. In fiscal year 2013 and later, the commissioner shall establish additional locations where early childhood education scholarships may be used to pay for services provided by rated programs. The additional early childhood education scholarship locations must be located in Parent Aware Plus regions. The commissioner may assign duties as described in subdivisions 5 and 7 to approved Parent Aware Plus regions, as appropriate.

- Subd. 2. **Scholarship eligibility.** (a) All children whose parents or legal guardians meet the eligibility requirements of paragraph (b) are eligible to receive early childhood education scholarships under this section.
- (b) A parent or legal guardian is eligible for an early childhood education scholarship if the parent or legal guardian has a child three or four years of age on September 1, beginning in calendar year 2011; lives in one of the early childhood education scholarship locations according to subdivision 1; and has income equal to or less than 47 percent of the state median income in the current calendar year.
- Subd. 3. Eligibility determination. (a) The commissioner of human services shall develop a simple application process that families may use to apply for early childhood education scholarships based on the criteria in subdivision 2.
- (b) For the purpose of establishing eligibility for the early childhood education scholarship, the commissioners of education and human services shall accept a self- declaration from parents or legal guardians.
- (c) The commissioner shall also accept children identified in other public funding eligibility processes, including the Free and Reduced-Price Lunch Program, National School Lunch Act, United States Code, title 42, section 1751, part 210; Head Start under federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; and child care assistance programs under chapter 119B.
- Subd. 4. **Scholarship value.** For fiscal year 2012 and later, the early childhood education scholarship is equal to \$4,000 each year for each eligible child according to subdivision 2.
- Subd. 5. Scholarship use. (a) The early childhood education scholarship must be used during the 13 months after July 1, 2011, and each year thereafter by the parent or legal guardian on behalf of their child for services designed to promote school readiness at a rated program in a Parent Aware Plus region. A parent or legal guardian may use the early childhood education scholarship to pay fees or charges associated with their eligible child's education at a rated program, according to subdivision 6.
- (b) To maintain an eligible child's early childhood education scholarship, a parent or legal guardian must begin to use the scholarship within six months following the receipt of the scholarship or October 1.
- (c) For the purpose of dividing the early childhood education scholarship between two or more rated programs, a parent or legal guardian may reduce the early childhood education scholarship value paid to an individual rated program. The commissioner must determine a method to allow a parent or legal guardian to reduce or divide an early childhood education scholarship.
- Subd. 6. **Quality standard; transition.** (a) A rated program is eligible to receive early childhood education scholarships if the program has received a three- or four-star rating under Parent Aware under section 119C.02 and is located in a Parent Aware Plus region. An eligible program must agree to accept early childhood education scholarships to pay for services.
- (b) Notwithstanding paragraph (a), for the first two fiscal years after a Parent Aware region has become a Parent Aware Plus region, a rated program located in the Parent Aware Plus region is eligible to receive early childhood education scholarships to pay for its services if the program has

received a one-star or better rating under the Parent Aware rating system. An eligible program must agree to accept early childhood education scholarships to pay for services. This paragraph does not apply to the Parent Aware Plus regions located in the city of Saint Paul, Hennepin County, Nicollet County, and Blue Earth County.

- Subd. 7. **Redeeming a scholarship.** (a) A rated program that has received an early childhood education scholarship on behalf of an eligible child to pay for services must remit the scholarship in a manner determined by the commissioner.
- (b) The commissioner must pay rated programs the value of the early childhood education scholarship within 30 days of receiving the scholarship from a program.
- (c) The commissioner must determine a method for paying rated programs if a parent or legal guardian has divided or reduced a scholarship under subdivision 5, paragraph (c).
- Subd. 8. Earned income calculation. Scholarships paid to providers on behalf of eligible parents must not be counted as earned income for the purposes of medical assistance, MinnesotaCare, MFIP, diversionary work program, child care assistance, or Head Start programs. Scholarships paid to providers on behalf of eligible parents must not be considered child care funds for the purposes of the child care assistance program under chapter 119B.

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

# Sec. 7. PROGRAMMATIC STREAMLINING.

By January 15, 2013, the commissioner of human services shall report to the legislative committees having jurisdiction over early childhood education and child care on a framework for incorporating the existing state programs that provide access to early learning and care programming into a single scholarship program that funds access to high-quality early learning and care programs for low-income children in Minnesota. The report must also identify barriers and impediments to applying federal child care assistance and Head Start program funds in the form of a scholarship, under Minnesota Statutes, section 119C.04. As part of the framework, the commissioner must also take into consideration efforts for simplifying the application and management procedures for participating families and providers.

## Sec. 8. CHILD CARE DEVELOPMENT FUNDS; PARENT AWARE.

The commissioner of human services shall direct \$...... in federal child care development funds in fiscal years 2012 and 2013 for the purpose of implementing Parent Aware under Minnesota Statutes, sections 119C.01 to 119C.03. Of this amount, in fiscal year 2012, \$......, and in fiscal year 2013, \$......, are appropriated to help eligible programs prepare for and participate in Parent Aware. The commissioner shall ensure that funds are expended according to federal child care development fund regulations.

#### Sec. 9. WAIVER PROCESS RELATED TO CHILD CARE PROVIDER CHOICE.

The commissioner of human services shall develop a simple waiver process related to Minnesota Statutes, section 119B.09, subdivision 5, that requires the parent or guardian to submit notice of a preferred alternative child arrangement.

### Sec. 10. APPROPRIATIONS.

Subdivision 1. Department of Human Services. The sums indicated in this section are appropriated from the general fund to the Department of Human Services for the fiscal years designated.

Subd. 2. Early childhood education scholarships. For grants to early childhood education scholarships under Minnesota Statutes, section 119C.04:

| \$<br>8,000,000 | <u></u> | 2012 |
|-----------------|---------|------|
| \$<br>9,000,000 |         | 2013 |

In fiscal year 2012, this appropriation is for early childhood scholarships in Parent Aware Plus regions. In fiscal year 2013 and later, the appropriation is for scholarship grants to fund eligible early childhood care and education programs located in Parent Aware Plus regions that have received early childhood education scholarships from eligible parents or legal guardians under Minnesota Statutes, section 119C.04, subdivision 2. The appropriation is available until expended. This appropriation is part of the base budget for subsequent fiscal years.

Each year, if this appropriation is insufficient to provide early childhood education scholarships to all eligible children, the Department of Human Services shall make scholarships available on a first-come, first-served basis.

#### **ARTICLE 2**

#### TAX CREDITS

Section 1. Minnesota Statutes 2010, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. **Additions to federal taxable income.** For individuals, estates, and trusts, there shall be added to federal taxable income:

- (1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute; and
- (ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except:
- (A) the portion of the exempt-interest dividends exempt from state taxation under the laws of the United States; and
- (B) the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends, including any dividends exempt under subitem (A), that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(g) of the Internal Revenue Code, making the payment; and
  - (iii) for the purposes of items (i) and (ii), interest on obligations of an Indian tribal government

described in section 7871(c) of the Internal Revenue Code shall be treated as interest income on obligations of the state in which the tribe is located;

- (2) the amount of income, sales and use, motor vehicle sales, or excise taxes paid or accrued within the taxable year under this chapter and the amount of taxes based on net income paid, sales and use, motor vehicle sales, or excise taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code, disregarding the amounts allowed under sections 63(c)(1)(C) and 63(c)(1)(E) of the Internal Revenue Code. For the purpose of this paragraph, the disallowance of itemized deductions under section 68 of the Internal Revenue Code of 1986, income, sales and use, motor vehicle sales, or excise taxes are the last itemized deductions disallowed;
- (3) the capital gain amount of a lump-sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law 99-514, applies;
- (4) the amount of income taxes paid or accrued within the taxable year under this chapter and taxes based on net income paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729;
- (5) the amount of expense, interest, or taxes disallowed pursuant to section 290.10 other than expenses or interest used in computing net interest income for the subtraction allowed under subdivision 19b, clause (1);
- (6) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;
- (7) 80 percent of the depreciation deduction allowed under section 168(k) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k) is allowed;
- (8) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;
- (9) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code;
- (10) the exclusion allowed under section 139A of the Internal Revenue Code for federal subsidies for prescription drug plans;
  - (11) the amount of expenses disallowed under section 290.10, subdivision 2;

- (12) the amount deducted for qualified tuition and related expenses under section 222 of the Internal Revenue Code, to the extent deducted from gross income;
- (13) the amount deducted for certain expenses of elementary and secondary school teachers under section 62(a)(2)(D) of the Internal Revenue Code, to the extent deducted from gross income;
- (14) the additional standard deduction for property taxes payable that is allowable under section 63(c)(1)(C) of the Internal Revenue Code;
- (15) the additional standard deduction for qualified motor vehicle sales taxes allowable under section 63(c)(1)(E) of the Internal Revenue Code;
- (16) discharge of indebtedness income resulting from reacquisition of business indebtedness and deferred under section 108(i) of the Internal Revenue Code; and
- (17) the amount of unemployment compensation exempt from tax under section 85(c) of the Internal Revenue Code;
- (18) the amount of the deduction under section 170 of the Internal Revenue Code that represents contributions that qualify for an early childhood education access to quality tax credit under section 290.0694; and
- (19) the amount of the deduction under section 170 of the Internal Revenue Code that represents contributions that qualify for an early childhood education quality improvement credit under section 290.0695.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2010.

- Sec. 2. Minnesota Statutes 2010, section 290.01, subdivision 19c, is amended to read:
- Subd. 19c. **Corporations; additions to federal taxable income.** For corporations, there shall be added to federal taxable income:
- (1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes, including but not limited to the tax imposed under section 290.0922, paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;
- (2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; the District of Columbia; or Indian tribal governments;
- (3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code;
- (4) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code;

- (5) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 and 965 of the Internal Revenue Code:
- (6) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;
- (7) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code;
- (8) the exempt foreign trade income of a foreign sales corporation under sections 921(a) and 291 of the Internal Revenue Code:
- (9) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code;
- (10) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities;
- (11) the amount of any deemed dividend from a foreign operating corporation determined pursuant to section 290.17, subdivision 4, paragraph (g). The deemed dividend shall be reduced by the amount of the addition to income required by clauses (20), (21), (22), and (23);
- (12) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;
  - (13) the amount of net income excluded under section 114 of the Internal Revenue Code;
- (14) any increase in subpart F income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year when subpart F income is calculated without regard to the provisions of Division C, title III, section 303(b) of Public Law 110-343;
- (15) 80 percent of the depreciation deduction allowed under section 168(k)(1)(A) and (k)(4)(A) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k)(1)(A) and (k)(4)(A) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)(1)(A) and (k)(4)(A)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k)(1)(A) and (k)(4)(A) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k)(1)(A) and (k)(4)(A) is allowed;
- (16) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;
- (17) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code;
  - (18) the exclusion allowed under section 139A of the Internal Revenue Code for federal subsidies

for prescription drug plans;

- (19) the amount of expenses disallowed under section 290.10, subdivision 2;
- (20) an amount equal to the interest and intangible expenses, losses, and costs paid, accrued, or incurred by any member of the taxpayer's unitary group to or for the benefit of a corporation that is a member of the taxpayer's unitary business group that qualifies as a foreign operating corporation. For purposes of this clause, intangible expenses and costs include:
- (i) expenses, losses, and costs for, or related to, the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property;
  - (ii) losses incurred, directly or indirectly, from factoring transactions or discounting transactions;
  - (iii) royalty, patent, technical, and copyright fees;
  - (iv) licensing fees; and
  - (v) other similar expenses and costs.

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

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

- (21) except as already included in the taxpayer's taxable income pursuant to clause (20), any interest income and income generated from intangible property received or accrued by a foreign operating corporation that is a member of the taxpayer's unitary group. For purposes of this clause, income generated from intangible property includes:
- (i) income related to the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property;
  - (ii) income from factoring transactions or discounting transactions;
  - (iii) royalty, patent, technical, and copyright fees;
  - (iv) licensing fees; and
  - (v) other similar income.

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

This clause does not apply to any item of interest or intangible income received or accrued by a foreign operating corporation with respect to such item of income to the extent that the income is

income from sources without the United States as defined in subtitle A, chapter 1, subchapter N, part 1, of the Internal Revenue Code;

- (22) the dividends attributable to the income of a foreign operating corporation that is a member of the taxpayer's unitary group in an amount that is equal to the dividends paid deduction of a real estate investment trust under section 561(a) of the Internal Revenue Code for amounts paid or accrued by the real estate investment trust to the foreign operating corporation;
- (23) the income of a foreign operating corporation that is a member of the taxpayer's unitary group in an amount that is equal to gains derived from the sale of real or personal property located in the United States:
- (24) the additional amount allowed as a deduction for donation of computer technology and equipment under section 170(e)(6) of the Internal Revenue Code, to the extent deducted from taxable income; and
- (25) discharge of indebtedness income resulting from reacquisition of business indebtedness and deferred under section 108(i) of the Internal Revenue Code;
- (26) the amount of the deduction under section 170 of the Internal Revenue Code that represents contributions that qualify for an early childhood education access to quality tax credit under section 290.0694; and
- (27) the amount of the deduction under section 170 of the Internal Revenue Code that represents contributions that qualify for an early childhood education quality improvement credit under section 290.0695.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2010.

## Sec. 3. [290.0693] EARLY CHILDHOOD TRAIN AND RETAIN CREDIT.

Subdivision 1. Statement of intent. The purpose of the early childhood train and retain credit is to encourage and reward early childhood education professionals for furthering their education and providing continuity of instruction to Minnesota's children. The success of the credit must be measured by comparing the number of early childhood education professionals claiming the credit at the various point levels in the first year the credit is allowed with the number claiming the credit at the various point levels in following years.

Subd. 2. Credit allowed. (a) An individual who is an eligible early childhood education professional is allowed a credit against the tax imposed by this chapter as follows:

| Credit amount |  |
|---------------|--|
| <u>\$500</u>  |  |
| \$1,000       |  |
| \$1,500       |  |
| \$2,500       |  |
| \$3,000       |  |
|               |  |

- (b) For taxable year 2011, the maximum aggregate credits must not exceed \$500,000 per taxable year. For taxable years beginning after December 31, 2011, the maximum aggregate credits must not exceed \$1,000,000 per taxable year.
- (c) For a nonresident or part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).
- Subd. 3. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.
- (b) "Early education experience points" means the eligible early childhood education professional's points registered with the Minnesota Center for Professional Development Registry.
  - (c) "Eligible early childhood education professional" means an individual who:
  - (1) is registered with the Minnesota Center for Professional Development Registry;
  - (2) is employed at a quality program;
  - (3) works directly with children who have not yet enrolled in kindergarten or first grade; and
- (4) has been employed at the same program for at least 20 hours per week for at least 12 months during the tax year.
- (d) "Quality program" means a program rated using the quality rating and improvement system tool established by the guidelines under chapter 119C.
- Subd. 4. Application for credit certificates. For taxable years beginning after December 31, 2010, a taxpayer must apply to the commissioner for an early childhood train and retain tax credit certificate. The credit certificates under this section must be made available on a first-come, first-served basis until the maximum statewide credit amount has been reached. The commissioner must not issue a tax credit certificate for an amount greater than the limits under subdivision 2.
- Subd. 5. **Credit refundable.** If the amount of credit an individual is eligible to receive under this section exceeds the claimant's tax liability under this chapter, the commissioner shall refund the excess to the claimant.
- Subd. 6. **Appropriation.** An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2010.

# Sec. 4. [290.0694] EARLY CHILDHOOD EDUCATION ACCESS TO QUALITY TAX CREDIT.

Subdivision 1. Statement of intent. The purpose of the early childhood education access to quality tax credit is to increase the amount of private contributions available to provide low-income children in Minnesota with access to high-quality early childhood education programs. The success of the credit must be measured by determining the total amount of private contributions that are made to provide early childhood education scholarships and are eligible for the credit under this section.

- Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.
- (b) "Early childhood education access to quality donation" means a donation to a qualified early childhood education program.
  - (c) "Qualified early childhood education program" means a program operated in Minnesota that:
- (1) has been rated using the quality rating and improvement system tool established by the guidelines under chapter 119C; and
- (2) accepts early childhood education access to quality donations under this section as payment of tuition for a qualified student who is enrolled in the program.
  - (d) "Qualified student" means a student who:
- (1) has not attained the age of seven years and become subject to the requirements of section 120A.22, subdivision 5;
  - (2) has reached age three or four by September 1;
  - (3) is a Minnesota resident; and
- (4) is a member of a household whose total annual income during the year, without consideration of the benefits under this program, is equal to or less than 47 percent of the state median income in the current calendar year.
- Subd. 3. **Credit allowed.** (a) An individual or corporate taxpayer is allowed a credit against the tax due under this chapter equal to 75 percent of the amount donated to a qualified early childhood education program during the taxable year. For taxable year 2011, the maximum aggregate credits must not exceed \$500,000 per taxable year. For taxable years beginning after December 31, 2011, the maximum aggregate credits must not exceed \$1,000,000 per taxable year.
- (b) A taxpayer must provide a copy of the receipt provided by the qualified early childhood education program when claiming the credit for the donation.
- Subd. 4. **Application for credit certificates.** For taxable years beginning after December 31, 2010, a taxpayer must apply to the commissioner for an early childhood education access to quality tax credit certificate. The credit certificates under this section must be made available on a first-come, first-served basis until the maximum statewide credit amount has been reached. The commissioner must not issue a tax credit certificate for an amount greater than the limits under subdivision 3.
- Subd. 5. **Responsibilities of qualified early childhood education programs.** (a) Each qualified early childhood education program that receives donations directly from taxpayers under this section must:
  - (1) notify the commissioner of its intent to participate in this program;
- (2) demonstrate that it meets the definition of a qualified early childhood education program in subdivision 2, paragraph (c);
- (3) provide a receipt or verification on a form approved by the commissioner to taxpayers for donations;

- (4) conduct criminal background checks on all of its employees and board members and exclude from employment or governance any individuals that might reasonably pose a risk to the appropriate use of contributed funds;
- (5) demonstrate its financial accountability by submitting a financial information report for the organization that complies with uniform financial accounting standards established by the commissioner;
- (6) demonstrate its financial viability, if it is to receive donations of \$150,000 or more during the school year, by filing financial information with the commissioner prior to September 1 of each year that demonstrates the financial viability of the qualified early childhood education program; and
- (7) use amounts received as donations to provide scholarships to qualified students within one year of the date of receiving the donation.
- (b) A qualified early childhood education program that receives donations directly from taxpayers under this program must report to the commissioner by June 1 of each year the following information regarding donations received and scholarships awarded in the previous calendar year:
- (1) the total number and total dollar amount of donations from taxpayers received during the previous calendar year; and
- (2) the total number and total dollar amount of scholarships awarded to qualified students during the previous calendar year.
- (c) If the commissioner decides to bar a qualified early childhood education program from the program for failure to comply with the requirements in paragraph (a), the qualified early childhood education program must notify taxpayers who have donated to the qualified early childhood education program in writing within 30 days.
- Subd. 6. **Responsibilities of commissioner.** (a) The commissioner must prescribe a standardized format for a receipt to be issued by a qualified early childhood education program to a taxpayer to indicate the value of a donation received.
- (b) The commissioner must prescribe a standardized format for qualified early childhood education programs to report the information required under subdivision 5.
- (c) The commissioner must post on the department's Web site the names and addresses of qualified early childhood education programs and regularly update the names and addresses of any qualified early childhood education programs that have been barred from participating in the program.
- (d) The commissioner must conduct either a financial review or audit of a qualified early childhood education program upon finding evidence of fraud or intentional misreporting.
- (e) The commissioner must bar a qualified early childhood education program from participating in the program if the commissioner establishes that the qualified early childhood education program has intentionally and substantially failed to comply with the requirements in subdivision 5. If the commissioner determines that a qualified early childhood education program should be barred from the program, the commissioner must notify the qualified early childhood education program within 60 days of that determination.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2010.

# Sec. 5. [290.0695] EARLY CHILDHOOD EDUCATION QUALITY IMPROVEMENT CREDIT.

Subdivision 1. Statement of intent. The purpose of the early childhood education quality improvement credit is to encourage contributions that result in improvements to the quality of programming provided by eligible early childhood education providers. The success of the credit must be measured by determining amounts spent as a result of contributions qualifying for the credit to improve the quality of programming provided by eligible early childhood education providers.

- Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.
- (b) "Eligible early childhood education provider" means a provider who operates a program in an area in Minnesota in which the quality rating and improvement system tool established by the guidelines under chapter 119C is in use for the taxable year.
- (c) "Resource and referral agency" means an agency that is designated by the Department of Human Services to provide child care resource and referral services.
- Subd. 3. Credit allowed. (a) An individual or corporate taxpayer is allowed a credit against the tax due under this chapter equal to 75 percent of the amount donated to an eligible early childhood education provider or a resource and referral agency during the taxable year. For a taxpayer to be eligible for the credit, donations to eligible early childhood education providers must be used to improve program quality in ways that are consistent with the standards set by the quality rating and improvement system, and donations to resource and referral agencies must be used to provide early childhood education providers with direct quality improvement services that are consistent with the standards set by the quality rating and improvement system.
- (b) For taxable year 2011, the maximum aggregate credits must not exceed \$500,000 per taxable year. For taxable years beginning after December 31, 2011, the maximum aggregate credits must not exceed \$1,000,000 per taxable year.
- (c) A taxpayer must provide a copy of the receipt provided by the eligible early childhood education provider or resource and referral agency when claiming the credit for the donation.
- Subd. 4. **Application for credit certificates.** For taxable years beginning after December 31, 2010, and before January 1, 2013, a taxpayer must apply to the commissioner for an early childhood education quality improvement tax credit certificate. The credit certificates under this section must be made available on a first-come, first-served basis until the maximum statewide credit amount has been reached. The commissioner must not issue a tax credit certificate for an amount greater than the limits under subdivision 3.
- Subd. 5. Responsibilities of eligible early childhood education providers and resource and referral agencies. (a) Each eligible early childhood education provider and resource and referral agency that receives contributions directly from taxpayers under this section must:
  - (1) notify the commissioner of its intent to participate in this program;

- (2) demonstrate to the commissioner that it meets the requirements of this section;
- (3) provide a receipt or verification on a form approved by the commissioner to taxpayers for contributions made to the eligible early childhood education provider or resource and referral agency;
- (4) conduct criminal background checks on all of its employees and board members and exclude from employment or governance any individuals that might reasonably pose a risk to the appropriate use of contributed funds;
- (5) demonstrate its financial accountability by submitting a financial information report for the organization that complies with uniform financial accounting standards established by the commissioner;
- (6) demonstrate its financial viability, if it is to receive donations of \$150,000 or more during the school year, by filing financial information with the commissioner prior to September 1 of each year that demonstrates the financial viability of the qualified foundation; and
- (7) use amounts received as donations to improve program quality, in the case of eligible early childhood education providers, or to provide quality improvement services, in the case of resource and referral agencies, within one year of the date of receiving the donation.
- (b) If the commissioner decides to bar an eligible early childhood education provider or a resource and referral agency from the program for failure to comply with the requirements in paragraph (a), the provider or agency must notify taxpayers who have donated to the eligible early childhood provider or resource and referral agency in writing within 30 days.
- Subd. 6. **Responsibilities of commissioner.** (a) The commissioner must prescribe a standardized format for a receipt to be issued by an eligible early childhood education provider or a resource and referral agency to a taxpayer to indicate the value of a contribution received.
- (b) The commissioner must prescribe a standardized format for eligible early childhood education providers or resource and referral agencies to report the information required under subdivision 5.
- (c) The commissioner must post on the department's Web site the names and addresses of eligible early childhood education providers and resource and referral agencies and regularly update the names and addresses of any eligible early childhood education providers or resource and referral agencies that have been barred from participating in the program.
- (d) The commissioner must conduct either a financial review or audit of an eligible early childhood education provider or a resource and referral agency upon finding evidence of fraud or intentional misreporting.
- (e) The commissioner must bar an eligible early childhood education provider or a resource and referral agency from participating in the program if the commissioner establishes that the provider or agency has intentionally and substantially failed to comply with the requirements in subdivision 5. If the commissioner determines that a provider or agency should be barred from the program, the commissioner must notify the provider or agency within 60 days of that determination.

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

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2010."

Delete the title and insert:

"A bill for an act relating to child care; creating a child care scholarship finance system; providing tax credits for training and retaining early education workers; improving quality early childhood education programming; appropriating money; amending Minnesota Statutes 2010, sections 119B.09, subdivision 5; 119B.13, subdivision 3a; 290.01, subdivisions 19a, 19c; proposing coding for new law in Minnesota Statutes, chapter 290; proposing coding for new law as Minnesota Statutes, chapter 119C."

And when so amended the bill be re-referred to the Committee on Health and Human Services without recommendation. Amendments adopted. Report adopted.

## Senator Koch, from the Committee on Rules and Administration, to which was referred

**H.F. No. 362** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

| GENERAL ORDERS |          | CONSENT CALENDAR |          | CALENDAR |          |
|----------------|----------|------------------|----------|----------|----------|
| H.F. No.       | S.F. No. | H.F. No.         | S.F. No. | H.F. No. | S.F. No. |
| 362            | 241      |                  |          |          |          |

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 362 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 362, the first engrossment; and insert the language after the enacting clause of S.F. No. 241, the first engrossment; further, delete the title of H.F. No. 362, the first engrossment; and insert the title of S.F. No. 241, the first engrossment.

And when so amended H.F. No. 362 will be identical to S.F. No. 241, and further recommends that H.F. No. 362 be given its second reading and substituted for S.F. No. 241, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

#### SECOND READING OF SENATE BILLS

S.F. Nos. 478, 488, 551 and 191 were read the second time.

#### SECOND READING OF HOUSE BILLS

H.F. No. 362 was read the second time.

#### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

#### Senators Tomassoni and Metzen introduced-

**S.F. No. 694:** A bill for an act relating to employment and economic development; appropriating money for opportunities industrialization centers.

Referred to the Committee on Jobs and Economic Growth.

## Senators Fischbach, Brown, Gimse, Limmer and Carlson introduced-

**S.F. No. 695:** A bill for an act relating to health; establishing the Human Cloning Prohibition Act; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

#### Senator Sieben introduced-

**S.F. No. 696:** A bill for an act relating to elections; changing a date for precinct caucuses; amending Minnesota Statutes 2010, section 202A.14, subdivision 1.

Referred to the Committee on Local Government and Elections.

## Senators Magnus, Kubly and Dahms introduced-

**S.F. No. 697:** A bill for an act relating to capital investment; appropriating money for floodwater retention systems in Area II of the Minnesota River Basin; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

#### Senators Magnus, Miller, Dahms, Saxhaug and Skoe introduced-

**S.F. No. 698:** A bill for an act relating to agriculture; appropriating money to the Board of Regents of the University of Minnesota for the agriculture experiment station and the Minnesota Extension Service; requiring a report.

Referred to the Committee on Higher Education.

#### Senator Kubly introduced-

**S.F. No. 699:** A bill for an act relating to capital improvements; appropriating money to upgrade the electrical system of the Yellow Medicine County Agriculture and Transportation Museum; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

## Senators Sheran and Stumpf introduced-

**S.F. No. 700:** A bill for an act relating to education finance; creating a collaboration grant; appropriating money.

Referred to the Committee on Education.

## Senator Saxhaug introduced-

**S.F. No. 701:** A bill for an act relating to capital investment; appropriating money for renovation of the Coon Rapids Dam as an invasive fish barrier; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

#### Senators Parry, Metzen and Wiger introduced-

**S.F. No. 702:** A bill for an act relating to gambling; modifying certain rates of tax on lawful gambling; providing for linked bingo and electronic pull-tabs; making clarifying, conforming, and technical changes; amending Minnesota Statutes 2010, sections 297E.02, subdivisions 1, 4, 6; 349.12, subdivisions 5, 9, 12a, 25b, 25c, 25d, 29, 32, 32a; 349.13; 349.151, subdivisions 4b, 4c, by adding a subdivision; 349.161, subdivision 1; 349.163, subdivisions 1, 9; 349.1635, subdivision 2; 349.17, subdivisions 6, 7, 8; 349.1721, by adding a subdivision; 349.18, subdivision 1; 349.211, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on State Government Innovation and Veterans.

#### Senators Hann and Rosen introduced-

**S.F. No. 703:** A bill for an act relating to human services; streamlining county duties; amending Minnesota Statutes 2010, sections 119B.09, by adding a subdivision; 256B.69, by adding a subdivision; 256D.09, subdivision 6; 256D.49, subdivision 3; 256J.38, subdivision 1; 393.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Rules, part 9500.1243, subpart 3.

Referred to the Committee on Health and Human Services.

#### Senators Marty and Goodwin introduced-

**S.F. No. 704:** A bill for an act relating to health; extending the effective date for electronic prescribing requirements for certain providers; amending Minnesota Statutes 2010, section 62J.497, subdivision 2.

Referred to the Committee on Health and Human Services.

#### Senators Marty, Dibble, Pappas and Cohen introduced—

**S.F. No. 705:** A bill for an act relating to animals; changing certain requirements for disposition of certain animals; imposing a penalty; amending Minnesota Statutes 2010, sections 35.71, subdivisions 1, 3, 7, by adding subdivisions; 347.54, subdivisions 2, 3; repealing Minnesota Statutes 2010, section 35.71, subdivisions 2, 4, 5, 6.

Referred to the Committee on Agriculture and Rural Economies.

### Senators Michel, Hann and Thompson introduced-

**S.F. No. 706:** A bill for an act relating to education; repealing the Labor Day school start provisions; repealing Minnesota Statutes 2010, section 120A.40.

Referred to the Committee on Education.

## Senators Hann, Rosen, Sheran and Marty introduced-

**S.F. No. 707:** A bill for an act relating to health; requiring transparency in health care advertising; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

#### Senators Pederson, Metzen, Michel, Tomassoni and DeKruif introduced-

**S.F. No. 708:** A bill for an act relating to economic development; modifying requirements of certain grant programs; appropriating money for Twin Cities RISE!; amending Minnesota Statutes 2010, section 116J.8747, subdivision 3.

Referred to the Committee on Jobs and Economic Growth.

## Senators Hann, Hoffman, Scheid, Thompson and Chamberlain introduced-

**S.F. No. 709:** A bill for an act relating to health; repealing the moratorium on radiation therapy facility construction in Hennepin, Ramsey, Dakota, Washington, Anoka, Carver, Scott, St. Louis, Sherburne, Benton, Stearns, Chisago, Isanti, and Wright Counties; amending Minnesota Statutes 2010, section 144.5509.

Referred to the Committee on Health and Human Services.

# Senator Stumpf introduced-

**S.F. No. 710:** A bill for an act relating to education funding; authorizing funding for voluntary, full-day kindergarten; amending Minnesota Statutes 2010, sections 123B.41, subdivision 7; 126C.05, subdivisions 1, 15; 126C.12, subdivision 5; 126C.126.

Referred to the Committee on Education.

## Senators Robling, Nienow, Kruse, Brown and Vandeveer introduced-

**S.F. No. 711:** A bill for an act relating to health; prohibiting abortions at or after 20 weeks gestational age unless certain exceptions apply; providing civil and criminal penalties; amending Minnesota Statutes 2010, section 145.4131, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 8; 145.

Referred to the Committee on Health and Human Services.

## Senators Carlson, Pederson, Saxhaug, Skoe and Dahms introduced-

**S.F. No. 712:** A bill for an act relating to state lands; modifying valuation methods of acquired lands; adding to and deleting from state parks, state recreation areas, state forests, and state wildlife management areas; authorizing public and private sales of certain surplus state lands; amending Minnesota Statutes 2010, sections 84.0272, subdivision 3; 85.052, subdivision 4; 89.021, subdivision 48.

Referred to the Committee on Environment and Natural Resources.

## Senator Olson introduced-

**S.F. No. 713:** A bill for an act relating to education finance; removing obsolete language; amending Minnesota Statutes 2010, section 126C.10, subdivision 2.

Referred to the Committee on Education.

#### Senator Nienow introduced-

**S.F. No. 714:** A bill for an act relating to human services; transferring certain excess health plan revenues to the general fund; amending Minnesota Statutes 2010, section 256B.69, by adding a subdivision.

Referred to the Committee on Health and Human Services.

#### Senator Nienow introduced-

**S.F. No. 715:** A bill for an act relating to insurance; requiring that health plans that include out-of-network coverage permit assignment of benefits; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Referred to the Committee on Commerce and Consumer Protection.

### Senator Nienow introduced-

**S.F. No. 716:** A bill for an act relating to human services; requiring segregated accounting under prepaid medical assistance under certain circumstances; amending Minnesota Statutes 2010, section 256B.69, subdivision 9.

Referred to the Committee on Health and Human Services.

### Senator Nienow introduced-

**S.F. No. 717:** A bill for an act relating to human services; specifying applicability of antitrust laws to the prepaid medical assistance program; amending Minnesota Statutes 2010, section 256B.69, subdivision 5k.

Referred to the Committee on Health and Human Services.

#### Senator Nienow introduced-

**S.F. No. 718:** A bill for an act relating to human services; specifying applicability of Data Practices Act to data provided to state by managed care vendors; amending Minnesota Statutes 2010, section 256B.69, subdivisions 9a, 9b.

Referred to the Committee on Health and Human Services.

#### Senator Nienow introduced-

**S.F. No. 719:** A bill for an act relating to human services; requiring use of generally accepted accounting principles in medical assistance reporting; amending Minnesota Statutes 2010, section 256B.69, subdivision 9.

Referred to the Committee on Health and Human Services.

#### Senator Nienow introduced-

**S.F. No. 720:** A bill for an act relating to human services; establishing medical loss ratio requirement for prepaid medical assistance program; amending Minnesota Statutes 2010, section 256B.69, subdivision 5i.

Referred to the Committee on Health and Human Services.

## Senator Nienow introduced-

**S.F. No. 721:** A bill for an act relating to human services; providing a right for providers to audit financial aspects of health plan company contracts with the prepaid medical assistance program; amending Minnesota Statutes 2010, section 256B.69, by adding a subdivision.

Referred to the Committee on Health and Human Services.

#### Senators Sieben, Anderson and Lourey introduced-

**S.F. No. 722:** A bill for an act relating to elections; specifying criminal penalties for certain violations; amending Minnesota Statutes 2010, sections 201.054, subdivision 2; 201.27, subdivision 3; 204C.14.

Referred to the Committee on Local Government and Elections.

## Senators Tomassoni, Bakk and Dibble introduced-

**S.F. No. 723:** A bill for an act relating to transportation; requiring commissioner of transportation to make a decision on alternative route for State Highway 53.

Referred to the Committee on Transportation.

#### Senator Gimse introduced-

S.F. No. 724: A bill for an act relating to natural resources; extending availability of Grass Lake

appropriation; amending Laws 2006, chapter 258, section 9, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

## Senators Daley, Lillie and Rest introduced-

**S.F. No. 725:** A bill for an act relating to state government; requiring the Department of Revenue to issue a request for proposals for a tax analytics and business intelligence contract.

Referred to the Committee on State Government Innovation and Veterans.

#### Senator Sheran introduced-

**S.F. No. 726:** A bill for an act relating to human services; modifying the medical assistance employed persons with disabilities program; changing asset limitation provisions; appropriating money; amending Minnesota Statutes 2010, sections 256B.056, subdivision 3; 256B.057, subdivision 9.

Referred to the Committee on Health and Human Services.

# Senators Latz, Higgins and Scheid introduced-

**S.F. No. 727:** A bill for an act relating to assisted reproduction; modifying certain provisions related to determinations of paternity and maternity; amending Minnesota Statutes 2010, sections 257.54; 257.541, subdivision 1; 257.55, subdivision 1.

Referred to the Committee on Judiciary and Public Safety.

#### Senators Latz and Harrington introduced-

**S.F. No. 728:** A bill for an act relating to public safety; providing for a child certified as an adult to be detained in a juvenile facility prior to trial and verdict; amending Minnesota Statutes 2010, section 260B.125, subdivision 8.

Referred to the Committee on Judiciary and Public Safety.

## Senators Hoffman and Gazelka introduced-

**S.F. No. 729:** A bill for an act relating to transportation; authorizing mini truck operation on local roads; eliminating special permits for mini truck operation; amending Minnesota Statutes 2010, sections 168.002, subdivision 24; 168A.05, by adding a subdivision; 169.045; Laws 2009, chapter 158, section 10; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

## Senators Pederson, Gimse, Senjem, Pogemiller and Torres Ray introduced-

**S.F. No. 730:** A bill for an act relating to economic development; appropriating money for African Development Center training and programs.

Referred to the Committee on Jobs and Economic Growth.

#### Senators Hann, Rosen and Gazelka introduced-

**S.F. No. 731:** A bill for an act relating to human services; phasing out nursing facility rate equalization; amending Minnesota Statutes 2010, section 256B.48, subdivision 1.

Referred to the Committee on Health and Human Services.

## Senators Bakk, Tomassoni, Ingebrigtsen and Saxhaug introduced-

**S.F. No. 732:** A bill for an act relating to environment; preempting rules in establishing sulfates water quality standard in Class 4A waters; appropriating money.

Referred to the Committee on Environment and Natural Resources.

# Senators Skoe, Stumpf and Carlson introduced-

**S.F. No. 733:** A bill for an act relating to education finance; providing full funding for K-12 pupil transportation; amending Minnesota Statutes 2010, section 126C.10, subdivisions 1, 18.

Referred to the Committee on Education.

#### Senator Skoe introduced-

**S.F. No. 734:** A bill for an act relating to unemployment insurance; modifying base rate and maximum experience rating provisions; amending Minnesota Statutes 2010, section 268.051, subdivisions 2, 3.

Referred to the Committee on Jobs and Economic Growth.

# Senators Limmer, Ingebrigtsen, Ortman and Scheid introduced-

**S.F. No. 735:** A bill for an act relating to civil law; extending civil immunity to municipalities that donate public safety equipment; amending Minnesota Statutes 2010, section 466.03, by adding a subdivision.

Referred to the Committee on Judiciary and Public Safety.

### Senators Brown and Metzen introduced-

**S.F. No. 736:** A bill for an act relating to utilities; authorizing electronic notification of cold weather rule; amending Minnesota Statutes 2010, section 216B.096, subdivision 3.

Referred to the Committee on Energy, Utilities and Telecommunications.

## Senators Kelash, Torres Ray, Lillie and Higgins introduced-

**S.F. No. 737:** A bill for an act relating to economic development; appropriating money for minority business development programs.

Referred to the Committee on Jobs and Economic Growth.

#### Senators Latz, Scheid and Rest introduced-

**S.F. No. 738:** A bill for an act relating to commerce; prohibiting a motor vehicle dealer from selling a service contract from an unregistered provider; amending Minnesota Statutes 2010, sections 59B.02, by adding a subdivision; 168.27, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 59B.

Referred to the Committee on Commerce and Consumer Protection.

## Senators Lillie, Parry and Senjem introduced-

**S.F. No. 739:** A bill for an act relating to state government; reducing the number of deputy commissioners and eliminating assistant commissioner positions in the unclassified service; amending Minnesota Statutes 2010, sections 15.06, subdivision 8; 16B.03; 43A.08, subdivision 1; 45.013; 84.01, subdivision 3; 116.03, subdivision 1; 116J.01, subdivision 5; 116J.035, subdivision 4; 174.02, subdivision 2; 241.01, subdivision 2.

Referred to the Committee on State Government Innovation and Veterans.

## Senators Parry and Daley introduced-

**S.F. No. 740:** A bill for an act relating to taxation; providing contract authority to commissioner of revenue; regulating abusive transfer pricing schemes.

Referred to the Committee on State Government Innovation and Veterans.

# Senators Gazelka, Lillie and Parry introduced-

**S.F. No. 741:** A bill for an act relating to the legislature; requiring that certain services be provided through a joint legislative office; amending Minnesota Statutes 2010, sections 3.06, subdivision 1; 3.303, by adding a subdivision.

Referred to the Committee on State Government Innovation and Veterans.

# Senators Rosen, Limmer, Hann, Sheran and Higgins introduced-

**S.F. No. 742:** A bill for an act relating to health; providing an exception to the hospital moratorium; amending Minnesota Statutes 2010, section 144.551, subdivision 1.

Referred to the Committee on Health and Human Services.

#### Senator Jungbauer introduced-

**S.F. No. 743:** A bill for an act relating to waters; providing standards for use of recycled water; providing for natural pools; proposing coding for new law in Minnesota Statutes, chapter 103G.

Referred to the Committee on Environment and Natural Resources.

## Senators Ingebrigtsen, Rest, Jungbauer, Hoffman and Newman introduced-

**S.F. No. 744:** A bill for an act relating to public safety; allocating funds contained in fire safety account; amending Minnesota Statutes 2010, section 297I.06, subdivision 3.

Referred to the Committee on Judiciary and Public Safety.

# Senator Lourey introduced-

**S.F. No. 745:** A bill for an act relating to health care; providing an alternative mechanism for prompt payment of emergency room and ambulance charges incurred by patients enrolled in very high deductible health plans; amending Minnesota Statutes 2010, sections 60A.23, subdivision 8; 62Q.01, by adding a subdivision; 62Q.025, by adding a subdivision.

Referred to the Committee on Health and Human Services.

#### Senators Bonoff and Hann introduced-

**S.F. No. 746:** A bill for an act relating to education finance; eliminating the referendum allowance limit; repealing Minnesota Statutes 2010, section 126C.17, subdivisions 2, 3.

Referred to the Committee on Education.

### Senators Hann, Thompson and Rosen introduced-

**S.F. No. 747:** A bill for an act relating to education; modifying teacher termination and discharge procedures; amending Minnesota Statutes 2010, section 122A.40, subdivisions 7, 9, 13, 15, 16.

Referred to the Committee on Education.

## Senators Rosen, Dahms and Magnus introduced-

**S.F. No. 748:** A bill for an act relating to education finance; expanding school swimming pool levy to include small school districts; amending Minnesota Statutes 2010, section 126C.455.

Referred to the Committee on Education.

## Senator Rosen introduced-

**S.F. No. 749:** A bill for an act relating to capital improvements; appropriating money for the Integrated Energy Corridor Project in St. Paul; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

#### MOTIONS AND RESOLUTIONS

Senator Pappas moved that the name of Senator Higgins be added as a co-author to S.F. No. 671. The motion prevailed.

Senator Ingebrigtsen moved that S.F. No. 179 be withdrawn from the Committee on Finance,

given a second reading, and placed on General Orders. The motion prevailed.

S.F. No. 179 was read the second time.

## Senator Reinert introduced -

**Senate Resolution No. 52:** A Senate resolution honoring Representative Bob Dettmer on his retirement from the Army Reserve after 22 years of service.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 26, Senator Koch, Chair of the Committee on Rules and Administration, designated H.F. No. 141 a Special Order to be heard immediately.

## **SPECIAL ORDER**

**H.F. No. 141:** A bill for an act relating to public safety; increasing penalties for injuring public safety dogs; amending Minnesota Statutes 2010, section 609.596.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

| Anderson    | Gazelka      | Koch     | Nienow     | Senjem     |
|-------------|--------------|----------|------------|------------|
| Benson      | Gerlach      | Kruse    | Olson      | Sheran     |
| Berglin     | Gimse        | Langseth | Ortman     | Sieben     |
| Bonoff      | Goodwin      | Latz     | Pappas     | Skoe       |
| Brown       | Hall         | Lillie   | Parry      | Sparks     |
| Carlson     | Hann         | Limmer   | Pederson   | Stumpf     |
| Chamberlain | Harrington   | Lourey   | Pogemiller | Thompson   |
| Cohen       | Higgins      | Magnus   | Reinert    | Tomassoni  |
| Dahms       | Hoffman      | Marty    | Rest       | Torres Ray |
| Daley       | Howe         | Metzen   | Robling    | Vandeveer  |
| DeKruif     | Ingebrigtsen | Miller   | Rosen      | Wiger      |
| Dibble      | Jungbauer    | Nelson   | Saxhaug    | Wolf       |
| Fischbach   | Kelash       | Newman   | Scheid     |            |

So the bill passed and its title was agreed to.

#### MOTIONS AND RESOLUTIONS - CONTINUED

## **CONFIRMATION**

Senator Parry moved that the report from the Committee on State Government Innovation and Veterans, reported February 28, 2011, pertaining to the appointment of the Commissioner of Veterans Affairs, be taken from the table. The motion prevailed.

Senator Parry moved that the foregoing report be now adopted. The motion prevailed.

Senator Parry moved that in accordance with the report from the Committee on State Government Innovation and Veterans, reported February 28, 2011, the Senate, having given its

advice, do now consent to and confirm the appointment of:

# COMMISSIONER OF VETERANS AFFAIRS

Major General Larry Shellito, 7597 Newbury Rd., Woodbury, Washington County, effective January 13, 2011, for a term expiring on January 5, 2015.

The motion prevailed. So the appointment was confirmed.

#### **MEMBERS EXCUSED**

Senators Kubly and Michel were excused from the Session of today. Senator Bakk was excused from the Session of today at 11:15 a.m.

#### **ADJOURNMENT**

Senator Koch moved that the Senate do now adjourn until 11:00 a.m., Monday, March 14, 2011. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate