

## NINETY-FIRST DAY

St. Paul, Minnesota, Thursday, May 3, 2018

The Senate met at 10:00 a.m. and was called to order by the President.

**CALL OF THE SENATE**

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

Prayer was offered by the Chaplain, Pastor Mike Smith.

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:

Abeler	Draheim	Housley	Little	Ruud
Anderson, B.	Dziedzic	Ingebrigtsen	Lourey	Senjem
Anderson, P.	Eaton	Isaacson	Marty	Simonson
Bakk	Eichorn	Jasinski	Mathews	Sparks
Benson	Eken	Jensen	Miller	Tomassoni
Bigham	Fischbach	Johnson	Nelson	Torres Ray
Carlson	Franzen	Kent	Newman	Utke
Chamberlain	Frentz	Kiffmeyer	Newton	Weber
Champion	Gazelka	Klein	Osmek	Westrom
Clausen	Goggin	Koran	Pappas	Wiger
Cohen	Hall	Laine	Pratt	Wiklund
Cwodzinski	Hawj	Lang	Relph	
Dahms	Hayden	Latz	Rest	
Dibble	Hoffman	Limmer	Rosen	

The President declared a quorum present.

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

**MESSAGES FROM THE HOUSE**

Madam President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 3306, 3525, 2777, and 3466.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned May 2, 2018

Madam President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 3280:

**H.F. No. 3280:** A bill for an act relating to environment; establishing findings and authorizing listing of wild-rice waters; nullifying and restricting the application of certain water quality standards; requiring a report; appropriating money; amending Laws 2015, First Special Session chapter 4, article 4, section 136, as amended.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Lueck, Fabian and Metsa have been appointed as such committee on the part of the House.

House File No. 3280 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 2, 2018

Senator Eichorn moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3280, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1876, 3265, 4157 and 3232.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 2, 2018

### FIRST READING OF HOUSE BILLS

The following bills were read the first time.

**H.F. No. 1876:** A bill for an act relating to data practices; permitting trade associations to access vehicle registration information in certain circumstances; amending Minnesota Statutes 2016, sections 13.6905, subdivision 3; 168.345, subdivision 2.

Senator Gazelka moved that H.F. No. 1876 be laid on the table. The motion prevailed.

**H.F. No. 3265:** A bill for an act relating to human services; modifying child foster care training requirements; establishing a foster care sibling bill of rights; amending Minnesota Statutes 2016, section 245A.175; proposing coding for new law in Minnesota Statutes, chapter 260C.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2902, now on General Orders.

**H.F. No. 4157:** A bill for an act relating to claims against the state; providing for settlement of certain claims; appropriating money.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3786, now on General Orders.

**H.F. No. 3232:** A bill for an act relating to energy; modifying the solar energy incentive program; amending Minnesota Statutes 2017 Supplement, sections 116C.7792; 216B.1691, subdivision 2f.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2696, now on General Orders.

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

The following bills were read the first time.

##### **Senators Goggin and Osmek introduced--**

**S.F. No. 4059:** A bill for an act relating to energy; establishing a Prairie Island Net Zero Project; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116C.

Referred to the Committee on Energy and Utilities Finance and Policy.

##### **Senators Dahms, Westrom, Eken, Rosen, and Hoffman introduced--**

**S.F. No. 4060:** A bill for an act relating to energy; amending a provision relating to community solar gardens; amending Minnesota Statutes 2016, section 216B.1641.

Referred to the Committee on Energy and Utilities Finance and Policy.

##### **Senator Klein introduced--**

**S.F. No. 4061:** A bill for an act relating to transportation; designating a bridge on marked U.S. Highway 52 in West St. Paul as Private Joseph Marthaler Bridge; amending Minnesota Statutes 2016, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation Finance and Policy.

**MOTIONS AND RESOLUTIONS**

Senator Latz moved that the name of Senator Limmer be added as a co-author to S.F. No. 413. The motion prevailed.

Senator Abeler moved that the name of Senator Little be added as a co-author to S.F. No. 2254. The motion prevailed.

Senator Limmer moved that the name of Senator Pappas be added as a co-author to S.F. No. 3183. The motion prevailed.

Senator Hall moved that the name of Senator Nelson be added as a co-author to S.F. No. 3262. The motion prevailed.

Senator Koran moved that the name of Senator Bigham be added as a co-author to S.F. No. 3638. The motion prevailed.

Senator Marty moved that the name of Senator Jensen be added as a co-author to S.F. No. 4054. The motion prevailed.

**Senators Nelson and Gazelka introduced --**

**Senate Resolution No. 245:** A Senate resolution congratulating the Bertha-Hewitt Public School District on its 100 percent high school graduation rate.

Referred to the Committee on Rules and Administration.

**Senator Hoffman introduced --**

**Senate Resolution No. 246:** A Senate resolution commending Steve Lyons for his many years of dedicated service to the teaching profession.

Referred to the Committee on Rules and Administration.

**RECESS**

Senator Gazelka moved that the Senate do now recess until 1:15 p.m. The motion prevailed.

The hour of 1:15 p.m. having arrived, the President called the Senate to order.

**APPOINTMENTS**

Senator Gazelka from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 3280: Senators Eichorn, Ingebrigtsen, and Tomassoni.

Senator Gazelka moved that the foregoing appointments be approved. The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED****SPECIAL ORDERS**

Pursuant to Rule 26, Senator Gazelka, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 4385, 2899, S.F. Nos. 2991, 614, and 3019.

**SPECIAL ORDER**

**H.F. No. 4385:** A bill for an act relating to taxation; making changes to conform with certain federal tax law changes; adopting federal adjusted gross income as the starting point for calculating individual income tax; making policy and technical changes to various tax-related provisions including provisions related to the individual income tax, corporate franchise tax, estate tax, sales and use tax, gross revenues tax, gross receipts tax, property tax, partnership tax, tobacco tax, minerals tax, and other miscellaneous tax provisions; making changes to the property tax refund program; providing for registration and taxation of unmanned aircraft; modifying provisions related to local government aid and credits; modifying referendum dates; appropriating money; amending Minnesota Statutes 2016, sections 116J.8737, subdivisions 5, 12; 123A.455, subdivision 1; 126C.01, subdivision 3; 138.053; 162.145, subdivision 3; 174.03, subdivision 1b; 197.603, subdivision 2; 216B.36; 237.19; 270.12, subdivisions 2, 3; 270.41, subdivision 3; 270.96, subdivision 1; 270A.03, subdivision 7; 270B.08, subdivision 2; 270C.85, subdivision 2; 270C.89, subdivision 2; 270C.91; 272.02, subdivisions 27, 49, 81, by adding a subdivision; 272.025, subdivision 3; 273.032; 273.061, subdivision 9; 273.11, subdivision 12; 273.1115, subdivision 2; 273.112, subdivision 6; 273.113, subdivision 3; 273.119, subdivision 2; 273.1231, subdivisions 3, 4; 273.124, subdivisions 1, 3a, 8, 9, 14, 17, 21, by adding a subdivision; 273.1245, subdivision 2; 273.125, subdivision 3; 273.128, subdivision 1; 273.13, subdivision 35, by adding a subdivision; 273.136, subdivision 2; 273.1384, subdivision 3; 273.18; 274.14; 274.16; 275.025, subdivision 3, by adding subdivisions; 276A.01, subdivision 4; 282.01, subdivision 6; 287.21, subdivision 1; 289A.08, subdivisions 1, 6, 7; 289A.25, subdivision 1; 289A.31, subdivision 2; 289A.37, subdivision 6; 289A.38, subdivisions 7, 10; 289A.42; 289A.50, subdivision 1; 289A.60, subdivision 24; 290.01, subdivisions 6, 22, by adding subdivisions; 290.0131, subdivisions 1, 3, by adding subdivisions; 290.0132, subdivisions 1, 7, by adding subdivisions; 290.0133, subdivision 6, by adding a subdivision; 290.0134, by adding subdivisions; 290.0136; 290.05, subdivision 3; 290.06, subdivisions 1, 2c, 2d, by adding a subdivision; 290.067, subdivision 2a; 290.0671, subdivision 7; 290.0672, subdivision 2; 290.0681, subdivisions 3, 4; 290.0685, subdivision 1, by adding a subdivision; 290.0802, subdivisions 2, 3; 290.091, subdivision 3; 290.0921, subdivision 8; 290.0922, subdivision 1; 290.095, subdivision 4; 290.21, by adding a subdivision; 290.34, by adding a subdivision; 290.92, subdivisions 1, 28; 290A.03, subdivisions 4, 12; 290A.04, subdivisions 2h, 4, by adding a subdivision; 290A.05; 290A.08; 290A.09; 290B.04, subdivision 1; 290B.09, subdivision 1; 291.03, subdivisions 8, 10; 295.50, subdivisions 4, 9b, by adding subdivisions; 297A.61, subdivision 18; 297A.67, subdivision 12, by adding subdivisions; 297A.68, subdivisions 17, 25, 29, 44; 297A.70, subdivisions 3, 7, 16, by adding subdivisions; 297A.71, subdivisions 22, 45, by adding subdivisions; 297A.77, by adding a subdivision; 297A.84; 297A.85; 297A.993, by adding a subdivision; 297B.01, subdivision 14; 297B.03; 297F.01, subdivisions 19, 23, by adding a subdivision; 297F.17, subdivision 6; 297G.16, subdivision 7; 298.225, subdivision 1; 298.28, subdivisions 3, 9a; 360.013, by adding subdivisions; 360.55, by

adding a subdivision; 360.62; 412.221, subdivision 2; 426.19, subdivision 2; 447.045, subdivisions 2, 3, 4, 6, 7; 452.11; 455.24; 455.29; 469.171, subdivision 4; 469.177, subdivision 1; 469.1812, subdivision 1, by adding subdivisions; 469.190, subdivisions 1, 5; 469.316, subdivision 1; 469.317; 469.319, subdivision 4; 471.57, subdivision 3; 471.571, subdivision 3; 471.572, subdivision 4; 473F.02, subdivision 4; 473F.05; 473H.05, subdivision 1; 473H.08, subdivisions 1, 4, by adding a subdivision; 474A.02, subdivision 22b; 477A.013, subdivision 13; 477A.016; Minnesota Statutes 2017 Supplement, sections 126C.17, subdivision 9; 205.10, subdivision 3a; 205A.05, subdivision 1a; 270A.03, subdivision 5; 270C.445, subdivision 6; 270C.89, subdivision 1; 271.21, subdivision 2; 272.115, subdivision 1; 273.0755; 273.13, subdivisions 22, 23, 25, 34; 273.1384, subdivision 2; 273.1387, subdivision 3; 274.01, subdivision 1; 275.025, subdivision 1; 276.04, subdivision 3; 278.01, subdivision 1; 289A.02, subdivision 7; 289A.12, subdivision 14; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 2; 290.01, subdivisions 4a, 19, 31; 290.0131, subdivision 10; 290.0132, subdivisions 21, 26; 290.0133, subdivision 12; 290.0137; 290.05, subdivision 1; 290.067, subdivisions 1, 2b; 290.0671, subdivision 1; 290.0672, subdivision 1; 290.0681, subdivisions 1, 2; 290.0684, subdivisions 1, 2; 290.0686, subdivision 1; 290.091, subdivision 2; 290.17, subdivisions 2, 4; 290.31, subdivision 1; 290A.03, subdivisions 3, 8, 13, 15; 291.005, subdivision 1; 291.03, subdivisions 9, 11; 297A.61, subdivision 3; 297A.67, subdivisions 6, 34; 297A.70, subdivisions 4, 20; 297A.75, subdivisions 1, 2, 3; 297B.01, subdivision 16; 297E.02, subdivision 3; 298.227; 462D.03, subdivision 2; 462D.06, subdivisions 1, 2; 475.59, subdivision 2; 477A.015; 477A.03, subdivision 2a; Laws 1986, chapter 379, sections 1, subdivision 1; 2, subdivision 1; Laws 2008, chapter 366, article 5, sections 26, as amended; 33, as amended; Laws 2011, First Special Session chapter 7, article 4, section 10, subdivision 3; Laws 2017, First Special Session chapter 1, article 3, section 32; article 4, section 31; article 8, section 3; article 10, section 4; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 117; 222; 289A; 290; 416; 459; 469; repealing Minnesota Statutes 2016, sections 10A.322, subdivision 4; 13.4967, subdivision 2; 273.1315; 275.29; 289A.38, subdivisions 7, 8, 9; 290.01, subdivision 29a; 290.0131, subdivisions 7, 11, 12, 13; 290.0132, subdivisions 8, 19, 20; 290.0133, subdivisions 13, 14; 290.06, subdivision 23; 290.0921, subdivisions 1, 2, 3a, 4, 6; 290.10, subdivision 2; 477A.085; Minnesota Statutes 2017 Supplement, sections 327C.01, subdivision 13; 327C.16; Minnesota Rules, part 4503.1400, subpart 4.

Senator Chamberlain moved to amend H.F. No. 4385, the unofficial engrossment, as follows:

Page 20, line 1, delete "December 16, 2016" and insert "March 31, 2018"

Page 48, line 3, delete "\$10" and insert "\$50. If the amount is not a multiple of \$50, the commissioner shall round down to the next lowest multiple of \$50"

Page 49, after line 13, insert:

"Sec. 63. Minnesota Statutes 2016, section 290A.04, subdivision 2, is amended to read:

Subd. 2. **Homeowners; homestead credit refund.** A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the state refund amount shown below.

91ST DAY]

THURSDAY, MAY 3, 2018

8701

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to <del>1,619</del> <u>1,729</u>	1.0 percent	15 percent	<del>2,580</del> \$ <u>2,760</u>
<del>1,620</del> <u>1,730</u> to <del>3,229</del> <u>3,449</u>	1.1 percent	15 percent	<del>2,580</del> \$ <u>2,760</u>
<del>3,230</del> <u>3,450</u> to <del>4,889</del> <u>5,229</u>	1.2 percent	15 percent	<del>2,580</del> \$ <u>2,760</u>
<del>4,890</del> <u>5,230</u> to <del>6,519</del> <u>6,969</u>	1.3 percent	20 percent	<del>2,580</del> \$ <u>2,760</u>
<del>6,520</del> <u>6,970</u> to <del>8,129</del> <u>8,689</u>	1.4 percent	20 percent	<del>2,580</del> \$ <u>2,760</u>
<del>8,130</del> <u>8,690</u> to <del>11,389</del> <u>12,169</u>	1.5 percent	20 percent	<del>2,580</del> \$ <u>2,760</u>
<del>11,390</del> <u>12,170</u> to <del>13,009</del> <u>13,899</u>	1.6 percent	20 percent	<del>2,580</del> \$ <u>2,760</u>
<del>13,010</del> <u>13,900</u> to <del>14,649</del> <u>15,659</u>	1.7 percent	20 percent	<del>2,580</del> \$ <u>2,760</u>
<del>14,650</del> <u>15,660</u> to <del>16,269</del> <u>17,389</u>	1.8 percent	20 percent	<del>2,580</del> \$ <u>2,760</u>
<del>16,270</del> <u>17,390</u> to <del>17,879</del> <u>19,109</u>	1.9 percent	25 percent	<del>2,580</del> \$ <u>2,760</u>
<del>17,880</del> <u>19,110</u> to <del>22,779</del> <u>24,349</u>	2.0 percent	25 percent	<del>2,580</del> \$ <u>2,760</u>
<del>22,780</del> <u>24,350</u> to <del>24,399</del> <u>26,079</u>	2.0 percent	30 percent	<del>2,580</del> \$ <u>2,760</u>
<del>24,400</del> <u>26,080</u> to <del>27,659</del> <u>29,559</u>	2.0 percent	30 percent	<del>2,580</del> \$ <u>2,760</u>
<del>27,660</del> <u>29,560</u> to <del>39,029</del> <u>41,709</u>	2.0 percent	35 percent	<del>2,580</del> \$ <u>2,760</u>
<del>39,030</del> <u>41,710</u> to <del>56,919</del> <u>60,829</u>	2.0 percent	35 percent	<del>2,090</del> \$ <u>2,230</u>
<del>56,920</del> <u>60,830</u> to <del>65,049</del> <u>69,519</u>	2.0 percent	40 percent	<del>1,830</del> \$ <u>1,960</u>
<del>65,050</del> <u>69,520</u> to <del>73,189</del> <u>78,219</u>	2.1 percent	40 percent	<del>1,510</del> \$ <u>1,610</u>
<del>73,190</del> <u>78,220</u> to <del>81,319</del> <u>86,909</u>	2.2 percent	40 percent	<del>1,350</del> \$ <u>1,440</u>
<del>81,320</del> <u>86,910</u> to <del>89,449</del> <u>95,599</u>	2.3 percent	40 percent	<del>1,180</del> \$ <u>1,260</u>
<del>89,450</del> <u>95,600</u> to <del>94,339</del> <u>100,819</u>	2.4 percent	45 percent	<del>1,000</del> \$ <u>1,070</u>

<del>94,340</del> <u>100,820</u> to <del>97,609</del> <u>104,319</u>	2.5 percent	45 percent	\$ <u>830</u> <u>890</u>
<del>97,610</del> <u>104,320</u> to <del>101,559</del> <u>108,539</u>	2.5 percent	50 percent	\$ <u>680</u> <u>730</u>
<del>101,560</del> <u>108,540</u> to <del>105,499</del> <u>112,749</u>	2.5 percent	50 percent	\$ <u>500</u> <u>530</u>

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~\$105,500~~ \$112,750 or more.

Sec. 64. Minnesota Statutes 2016, section 290A.04, subdivision 2a, is amended to read:

Subd. 2a. **Renters.** A claimant whose rent constituting property taxes exceeds the percentage of the household income stated below must pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of rent constituting property taxes. The state refund equals the amount of rent constituting property taxes that remain, up to the maximum state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
<del>\$0 to 4,909</del> <u>5,249</u>	1.0 percent	5 percent	<del>2,000</del> \$ <u>2,140</u>
<del>4,910</del> <u>5,250</u> to <del>6,529</del> <u>6,979</u>	1.0 percent	10 percent	<del>2,000</del> \$ <u>2,140</u>
<del>6,530</del> <u>6,980</u> to <del>8,159</del> <u>8,719</u>	1.1 percent	10 percent	<del>1,950</del> \$ <u>2,080</u>
<del>8,160</del> <u>8,720</u> to <del>11,439</del> <u>12,229</u>	1.2 percent	10 percent	<del>1,900</del> \$ <u>2,030</u>
<del>11,440</del> <u>12,230</u> to <del>14,709</del> <u>15,719</u>	1.3 percent	15 percent	<del>1,850</del> \$ <u>1,980</u>
<del>14,710</del> <u>15,720</u> to <del>16,339</del> <u>17,459</u>	1.4 percent	15 percent	<del>1,800</del> \$ <u>1,920</u>
<del>16,340</del> <u>17,460</u> to <del>17,959</del> <u>19,189</u>	1.4 percent	20 percent	<del>1,750</del> \$ <u>1,870</u>
<del>17,960</del> <u>19,190</u> to <del>21,239</del> <u>22,699</u>	1.5 percent	20 percent	<del>1,700</del> \$ <u>1,820</u>
<del>21,240</del> <u>22,700</u> to <del>22,869</del> <u>24,439</u>	1.6 percent	20 percent	<del>1,650</del> \$ <u>1,760</u>
<del>22,870</del> <u>24,440</u> to <del>24,499</del> <u>26,179</u>	1.7 percent	25 percent	<del>1,650</del> \$ <u>1,760</u>
<del>24,500</del> <u>26,180</u> to <del>27,779</del> <u>29,689</u>	1.8 percent	25 percent	<del>1,650</del> \$ <u>1,760</u>
<del>27,780</del> <u>29,690</u> to <del>29,399</del> <u>31,419</u>	1.9 percent	30 percent	<del>1,650</del> \$ <u>1,760</u>



91ST DAY]

THURSDAY, MAY 3, 2018

8703

<del>29,400</del> <u>31,420</u> to <del>34,299</del>				<del>1,650</del>
<u>36,659</u>	2.0 percent	30 percent		\$ <u>1,760</u>
<del>34,300</del> <u>36,660</u> to <del>39,199</del>				<del>1,650</del>
<u>41,889</u>	2.0 percent	35 percent		\$ <u>1,760</u>
<del>39,200</del> <u>41,890</u> to <del>45,739</del>				<del>1,650</del>
<u>48,879</u>	2.0 percent	40 percent		\$ <u>1,760</u>
<del>45,740</del> <u>48,880</u> to <del>47,369</del>				<del>1,500</del>
<u>50,629</u>	2.0 percent	45 percent		\$ <u>1,600</u>
<del>47,370</del> <u>50,630</u> to <del>49,009</del>				<del>1,350</del>
<u>52,379</u>	2.0 percent	45 percent		\$ <u>1,440</u>
<del>49,010</del> <u>52,380</u> to <del>50,649</del>				<del>1,150</del>
<u>54,129</u>	2.0 percent	45 percent		\$ <u>1,230</u>
<del>50,650</del> <u>54,130</u> to <del>52,269</del>				<del>1,000</del>
<u>55,859</u>	2.0 percent	50 percent		\$ <u>1,070</u>
<del>52,270</del> <u>55,860</u> to <del>53,909</del>				<del>900</del>
<u>57,619</u>	2.0 percent	50 percent		\$ <u>960</u>
<del>53,910</del> <u>57,620</u> to <del>55,539</del>				<del>500</del>
<u>59,359</u>	2.0 percent	50 percent		\$ <u>530</u>
<del>55,540</del> <u>59,360</u> to <del>57,169</del>				<del>200</del>
<u>61,099</u>	2.0 percent	50 percent		\$ <u>210</u>

The payment made to a claimant is the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~\$57,170~~ \$61,100 or more.

Sec. 65. Minnesota Statutes 2016, section 290A.04, subdivision 4, is amended to read:

Subd. 4. **Inflation adjustment.** (a) Beginning for property tax refunds payable in calendar year 2002, the commissioner shall annually adjust the dollar amounts of the income thresholds and the maximum refunds under subdivisions 2 and 2a for inflation. The commissioner shall make the inflation adjustments in accordance with section 1(f) of the Internal Revenue Code, except that for purposes of this subdivision the percentage increase shall be determined as provided in this subdivision.

(b) In adjusting the dollar amounts of the income thresholds and the maximum refunds under subdivision 2 for inflation, the percentage increase shall be determined from the year ending on June 30, ~~2013~~ 2018, to the year ending on June 30 of the year preceding that in which the refund is payable.

(c) In adjusting the dollar amounts of the income thresholds and the maximum refunds under subdivision 2a for inflation, the percentage increase shall be determined from the year ending on June 30, ~~2013~~ 2018, to the year ending on June 30 of the year preceding that in which the refund is payable.

(d) The commissioner shall use the appropriate percentage increase to annually adjust the income thresholds and maximum refunds under subdivisions 2 and 2a for inflation without regard to whether or not the income tax brackets are adjusted for inflation in that year. The commissioner shall round

the thresholds and the maximum amounts, as adjusted to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall round it up to the next \$10 amount.

(e) The commissioner shall annually announce the adjusted refund schedule at the same time provided under section 290.06. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act."

Page 70, line 24, delete "2019" and insert "2018"

Page 116, line 2, before "The" insert "After the allocations are made under paragraph (b), any amount remaining in the general fund, of the money apportioned to the general fund under this section in the current year, shall be refunded by the commissioner of revenue as provided. By May 15 annually, the commissioner shall issue a refund to each producer equal to the amount of tax paid by that producer in the current year under section 298.01, as compared to the total amount of tax paid in the current year under section 298.01 by all producers, provided that a producer shall not be eligible for a refund under this section in an amount greater than the amount of tax paid by that producer in the current year."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Osmek moved to amend H.F. No. 4385, the unofficial engrossment, as follows:

Page 82, after line 17, insert:

"Sec. 7. **CITY OF EXCELSIOR; TAXES AUTHORIZED.**

**Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city charter, the city of Excelsior may impose, by ordinance, a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2, subject to voter approval in a general election held before January 1, 2019. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

**Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized under subdivision 1 must be used by the city of Excelsior to pay the costs of collecting and administering the tax and to finance the capital and administrative costs of improvements to the commons as indicated in the November 2016 findings of the commons master planning work group. Authorized expenses include, but are not limited to, improvements for walkability and accessibility, enhancement of beach area and facilities, prevention and management of shoreline erosion, redesign of the port and bandshell, improvement of playground equipment, and securing and paying debt service on bonds issued under subdivision 3 or other obligations issued to the improvements listed in this subdivision in the city of Excelsior.

Subd. 3. **Bonding authority.** (a) The city of Excelsior may issue bonds under Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in subdivision 2. The aggregate principal amount of bonds issued under this subdivision may not exceed \$7,000,000, plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds may be paid from or secured by any funds available to the city of Excelsior, including the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

(b) The bonds are not included in computing any debt limitation applicable to the city of Excelsior, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not subject to any levy limitation. A separate election to approve the bonds under Minnesota Statutes, section 475.58, is not required.

Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the later of: (1) 25 years after the tax is first imposed; or (2) when the city council determines that \$7,000,000 has been received from the tax to pay for the cost of the projects authorized under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the bonds authorized under subdivision 3, including interest on the bonds. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

**EFFECTIVE DATE.** This section is effective the day after compliance by the governing body of the city of Excelsior with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Jasinski moved to amend H.F. No. 4385, the unofficial engrossment, as follows:

Page 60, after line 2, insert:

"Sec. 4. **[216C.418] COMBINED HEAT AND POWER AND EXPANDER GENERATOR DEVELOPMENT PLAN.**

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

(b) "Eligible combined heat and power system" means a system that:

(1) uses the same energy source for the simultaneous or sequential generation of electrical power, mechanical shaft power, or both, in combination with the generation of steam or other forms of useful thermal energy, including for industrial process applications, which produces at least 20 percent of its total useful energy in the form of thermal energy which is not used to produce electrical or mechanical power, or combination thereof, and at least 20 percent of its total useful energy in the form of electrical or mechanical power, or combination thereof, with a system energy efficiency percentage of at least 60 percent;

(2) has a nameplate output of no less than one megawatt and no more than 15 megawatts;

(3) is located in Minnesota; and

(4) is placed in service after January 1, 2019, and before January 1, 2026.

(c) "Eligible expander generator system" means a system that:

(1) uses a gaseous flow, pressure drop, or both, for generation of electrical power, mechanical shaft power, or both, or other forms of useful thermal energy, including for industrial process applications, with a system efficiency of at least 60 percent;

(2) has a nameplate output of no less than 250 kilowatts and no more than 15 megawatts;

(3) is located in Minnesota; and

(4) is placed in service after January 1, 2019, and before January 1, 2026.

Subd. 2. **Application for and issuance of certifications.** (a) The commissioner shall develop an application form and process for certifying eligible combined heat and power systems and eligible expander generator systems projects that qualify for a credit against individual income and corporate franchise tax under chapter 290. The commissioner shall make the forms available no later than October 1, 2019. The commissioner may require that applicants provide any information that the commissioner deems appropriate or useful in certifying credits under this section. The application must specify the taxable year in which the taxpayer expects to place the system in service. At a minimum, the application must also require applicants to provide sufficient information for the commissioner to verify that:

(1) the proposed systems meet the requirements of this section;

(2) the amount of the credit that the project is expected to qualify for based on the projected cost of the proposed systems;

(3) construction of the systems is expected to begin no later than one year after the commissioner issues a certification, including a commitment by the applicant to do so if the commissioner issues a certification and documentation attesting to the feasibility of the applicant satisfying that commitment; and

(4) the systems are expected to be placed in service by the taxable year specified in the application.

(b) Taxpayers seeking to qualify for a credit must apply to the commissioner for certification of the proposed system and must obtain the certification before beginning construction.

Subd. 3. **Certification.** A taxpayer with a qualifying project proposal under this section must certify to the commissioner the placed-in-service date, total installed cost, and nameplate output of the eligible combined heat and power system or eligible expander generator system. In addition, a copy of the certification must be provided to the commissioner of commerce.

Subd. 4. **Report to the legislature.** The Department of Commerce shall report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over taxes by January 15, 2019, on the efficiency of combined heat and power and expander generator

processing plants including how a tax credit would benefit the development of lower-cost and small-carbon-footprint energy in the state of Minnesota."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Cohen moved to amend H.F. No. 4385, the unofficial engrossment, as follows:

Page 56, delete section 1

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

### CALL OF THE SENATE

Senator Cohen imposed a call of the Senate for the balance of the proceedings on H.F. No. 4385. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Cohen amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Bakk	Dibble	Hoffman	Lourey	Tomassoni
Bigham	Dziedzic	Isaacson	Marty	Torres Ray
Carlson	Eaton	Kent	Newton	Wiger
Champion	Eken	Klein	Pappas	Wiklund
Clausen	Franzen	Laine	Rest	
Cohen	Frentz	Latz	Simonson	
Cwodzinski	Hayden	Little	Sparks	

Those who voted in the negative were:

Abeler	Eichorn	Jasinski	Mathews	Rosen
Anderson, B.	Fischbach	Jensen	Miller	Ruud
Anderson, P.	Gazelka	Johnson	Nelson	Senjem
Benson	Goggin	Kiffmeyer	Newman	Utke
Chamberlain	Hall	Koran	Osmek	Weber
Dahms	Housley	Lang	Pratt	Westrom
Draheim	Ingebrigtsen	Limmer	Relph	

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

Senator Nelson moved to amend H.F. No. 4385, the unofficial engrossment, as follows:

Page 63, after line 23, insert:

"Sec. 11. [290.0683] MINNESOTA HOUSING TAX CREDIT PROGRAM; DEFINITIONS.

(a) For purposes of this section, the following terms have the meanings given.

(b) "Agency" means the Minnesota Housing Finance Agency.

(c) "Minnesota housing tax credit contribution fund" means the fund established in section 462A.40.

(d) "Qualified project" means a project that qualifies for a grant or loan under section 462A.40, subdivision 2.

(e) "Taxpayer" means a taxpayer as defined in section 290.01, subdivision 6, or a taxpayer as defined in section 297I.01, subdivision 16."

Page 75, after line 15, insert:

"Sec. 22. Minnesota Statutes 2016, section 297I.20, is amended by adding a subdivision to read:

Subd. 4. **Minnesota housing tax credit.** An insurance company may claim a credit against the premiums tax imposed under this chapter equal to the amount indicated on the credit certificate statement issued to the company if a Minnesota housing tax credit is established. If the amount of the credit exceeds the liability for tax under this chapter, the excess is a credit carryover to each of the ten succeeding taxable years. The entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. This credit does not affect the calculation of police and fire aid under section 69.021.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2018.

Sec. 23. **[462A.40] MINNESOTA HOUSING TAX CREDIT CONTRIBUTION FUND.**

Subdivision 1. **Fund created.** If a Minnesota housing tax credit is established, the Minnesota housing tax credit contribution fund is created to be a revolving fund at the agency and administered by the commissioner. Amounts contributed to the fund are appropriated to the commissioner. The commissioner may use the amounts appropriated to direct disbursements from the fund as loans or grants to eligible recipients.

Subd. 2. **Use of funds; grant and loan program.** (a) The commissioner may award grants and loans to be used for multifamily and single family developments for persons and families of low and moderate income. Allowable use of the funds include: gap financing, as defined in section 462A.33, subdivision 1, new construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, and refinancing.

(b) The commissioner may give preference for grants and loans to comparable proposals that include regulatory changes or waivers that result in identifiable cost avoidance or cost reductions, including but not limited to increased density, flexibility in site development standards, or zoning code requirements.

(c) To the extent practicable, grants and loans shall be made so that an approximately equal number of housing units are financed in the metropolitan area, as defined in section 473.121, subdivision 2, and in greater Minnesota.

(d) The commissioner shall set aside 35 percent of the financing under this section for single-family homes and 20 percent for cities with a population under 10,000. A project that meets both set asides may count toward both requirements. If by June 1 each year the commissioner does not receive requests to use all of the financing set aside under this paragraph, the commissioner may use any remaining financing for other projects eligible under this section.

Subd. 3. **Eligible recipients.** (a) The commissioner may award grants or loans to a city, a federally recognized American Indian tribe or subdivision located in Minnesota, a tribal housing corporation, a private developer, a nonprofit organization, a housing and redevelopment authority under sections 469.001 to 469.047, a public housing authority or agency authorized by law to exercise any of the powers granted by sections 469.001 to 469.047, or the owner of the housing, excluding individuals who own the housing and are using it as their domicile.

(b) Eligible recipients must use the funds to serve households that meet the income limits as provided in section 462A.33, subdivision 5.

(c) For the purpose of this subdivision, "city" has the meaning given it in section 462A.03, subdivision 21.

Subd. 4. **Recapture.** A loan or grant awarded under this section is subject to repayment or recapture under the guidelines adopted by the commissioner. Any loan or grant that is repaid or recaptured must be redeposited in the fund.

Subd. 5. **Report.** The commissioner shall report by January 15, 2020, to the chairs and ranking minority members of the legislative policy and finance committees with jurisdiction over housing on whether a tax credit would increase development and availability of affordable housing to persons and families of low and moderate incomes in Minnesota.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2018."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Clausen moved to amend H.F. No. 4385, the unofficial engrossment, as follows:

Page 15, after line 7, insert:

"Sec. 21. Minnesota Statutes 2016, section 290.0131, is amended by adding a subdivision to read:

Subd. 17. **529 plan distributions for K-12 expenses.** The lesser of the following amounts is an addition:

(1) the total distributions for the taxable year from a qualified plan under section 529 of the Internal Revenue Code, owned by the taxpayer, that are expended for qualified higher education expenses under section 529(c)(7) of the Internal Revenue Code (expenses for tuition for elementary or secondary public, private, or religious school); or

(2) the total amount required to be reported to the taxpayer by any trustee of a qualified tuition plan under section 529 of the Internal Revenue Code as earnings on Internal Revenue Service Form 1099Q for the taxable year.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2017."

Page 32, after line 28, insert:

"Sec. 50. Minnesota Statutes 2017 Supplement, section 290.0684, subdivision 1, is amended to read:

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

(b) "Contribution" means the amount contributed to one or more qualified accounts except that the amount:

(1) is reduced by any withdrawals or distributions, other than transfers or rollovers to another qualified account, from a qualified account during the taxable year; and

(2) excludes the amount of any transfers or rollovers from a qualified account made during the taxable year.

~~(c) "Federal adjusted gross income" has the meaning given under section 62(a) of the Internal Revenue Code.~~

~~(d) "Qualified account" means an account qualifying under section 529 529(e)(3) of the Internal Revenue Code.~~

~~(e) (d) "Qualified higher education expenses" has the meaning given in section 529 of the Internal Revenue Code, except section 529(c)(7) of the Internal Revenue Code does not apply to the definition of qualified higher education expenses.~~

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:



Bakk	Dibble	Hoffman	Lourey	Tomassoni
Bigham	Dziedzic	Isaacson	Marty	Torres Ray
Carlson	Eaton	Kent	Newton	Wiger
Champion	Eken	Klein	Pappas	Wiklund
Clausen	Franzen	Laine	Rest	
Cohen	Frentz	Latz	Simonson	
Cwodzinski	Hayden	Little	Sparks	

Those who voted in the negative were:

Abeler	Eichorn	Jasinski	Mathews	Rosen
Anderson, B.	Fischbach	Jensen	Miller	Ruud
Anderson, P.	Gazelka	Johnson	Nelson	Senjem
Benson	Goggin	Kiffmeyer	Newman	Utke
Chamberlain	Hall	Koran	Osmek	Weber
Dahms	Housley	Lang	Pratt	Westrom
Draheim	Ingebrigtsen	Limmer	Relph	

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

Senator Rest moved to amend H.F. No. 4385, the unofficial engrossment, as follows:

Page 60, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 2017 Supplement, section 289A.10, subdivision 1, is amended to read:

Subdivision 1. **Return required.** In the case of a decedent who has an interest in property with a situs in Minnesota, the personal representative must submit a Minnesota estate tax return to the commissioner, on a form prescribed by the commissioner, if:

(1) a federal estate tax return is required to be filed; or

(2) the sum of the federal gross estate and federal adjusted taxable gifts, as defined in section 2001(b) of the Internal Revenue Code, made within three years of the date of the decedent's death exceeds ~~\$1,200,000 for estates of decedents dying in 2014; \$1,400,000 for estates of decedents dying in 2015; \$1,600,000 for estates of decedents dying in 2016; \$2,100,000 for estates of decedents dying in 2017; or \$2,400,000 for estates of decedents dying in 2018; \$2,700,000 for estates of decedents dying in 2019; and \$3,000,000 for estates of decedents dying in 2020~~ and thereafter.

The return must contain a computation of the Minnesota estate tax due. The return must be signed by the personal representative.

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

Page 70, delete section 14 and insert:

"Sec. 14. Minnesota Statutes 2017 Supplement, section 291.016, subdivision 3, is amended to read:

Subd. 3. **Subtraction.** (a) For estates of decedents dying after December 31, 2016, A subtraction is allowed in computing the Minnesota taxable estate, equal to the sum of:

(1) the exclusion amount for the year of death under paragraph (b); and

(2) the lesser of:

(i) the value of qualified small business property under section 291.03, subdivision 9, and the value of qualified farm property under section 291.03, subdivision 10; or

(ii) \$5,000,000 minus the exclusion amount for the year of death under paragraph (b).

(b) The following exclusion amounts apply for the year of death:

(1) \$2,100,000 for decedents dying in 2017; and

(2) \$2,400,000 for decedents dying in 2018; and thereafter.

~~(3) \$2,700,000 for decedents dying in 2019; and~~

~~(4) \$3,000,000 for decedents dying in 2020 and thereafter.~~

(c) The subtraction under this subdivision must not reduce the Minnesota taxable estate to less than zero.

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

Page 70, delete section 15

Page 75, delete section 20

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rest moved to amend the Rest amendment to H.F. No. 4385 as follows:

Page 1, after line 18, insert:

"Page 63, after line 23, insert:

"Sec. 10. Minnesota Statutes 2017 Supplement, section 290.0671, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is allowed a credit against the tax imposed by this chapter equal to a percentage of earned income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the Internal Revenue Code, except:

(1) that a taxpayer with no qualifying children who has attained the age of 21, but not attained age 65 before the close of the taxable year and is otherwise eligible for a credit under section 32 of the Internal Revenue Code may also receive a credit; and

(2) a taxpayer who is otherwise eligible for a credit under section 32 of the Internal Revenue Code remains eligible for this credit even if the taxpayer's earned income or adjusted gross income exceeds the income limitation under section 32 of the Internal Revenue Code.

(b) For individuals with no qualifying children, the credit equals ~~2.10~~ three percent of the first ~~\$6,180~~ \$6,680 of earned income. The credit is reduced by ~~2.04~~ three percent of earned income or adjusted gross income, whichever is greater, in excess of ~~\$8,130~~ \$12,340, but in no case is the credit less than zero.

(c) For individuals with one qualifying child, the credit equals ~~9.35~~ 12.71 percent of the first ~~\$11,120~~ \$8,590 of earned income. The credit is reduced by ~~6.02~~ 5.20 percent of earned income or adjusted gross income, whichever is greater, in excess of ~~\$21,190~~ \$22,220, but in no case is the credit less than zero.

(d) For individuals with two ~~or more~~ qualifying children, the credit equals ~~44~~ 14.94 percent of the first ~~\$18,240~~ \$14,080 of earned income. The credit is reduced by ~~10.82~~ 9.20 percent of earned income or adjusted gross income, whichever is greater, in excess of ~~\$25,130~~ \$26,360, but in no case is the credit less than zero.

(e) For individuals with three or more qualifying children, the credit equals 15.78 percent of the first \$14,870 of earned income. The credit is reduced by 9.07 percent of earned income or adjusted gross income, whichever is greater, in excess of \$26,360, but in no case is the credit less than zero.

~~(e)~~ (f) For a part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

~~(f)~~ (g) For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter, including income excluded under section 290.0132, subdivision 10, the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income. For purposes of this paragraph, the following clauses are not considered "earned income not subject to tax under this chapter":

- (1) the subtractions for military pay under section 290.0132, subdivisions 11 and 12;
- (2) the exclusion of combat pay under section 112 of the Internal Revenue Code; and
- (3) income derived from an Indian reservation by an enrolled member of the reservation while living on the reservation.

~~(g)~~ (h) For tax years beginning after December 31, ~~2013~~ 2018, the ~~\$8,130~~ \$12,340 in paragraph (b), the ~~\$21,190~~ \$22,220 in paragraph (c), ~~and the \$25,130~~ \$26,360 in paragraph (d), ~~and the \$26,360 in paragraph (e)~~, after being adjusted for inflation under subdivision 7, are each increased by ~~\$5,000~~ \$5,570 for married taxpayers filing joint returns. ~~For tax years beginning after December 31, 2013, the commissioner shall annually adjust the \$5,000 by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B), the word "2008" shall be substituted for the word "1992."~~ For 2014, the commissioner shall then determine the percent change from the 12 months ending on August 31, 2008, to the 12 months ending on August 31, 2013, and in each subsequent year, from the 12 months ending on August 31, 2008, to the 12 months ending on August 31 of the year preceding the taxable year. The earned income thresholds as adjusted for inflation must be rounded to the nearest \$10. If the amount ends in \$5,

~~the amount is rounded up to the nearest \$10. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act.~~

~~(h)~~ (i) The commissioner shall construct tables showing the amount of the credit at various income levels and make them available to taxpayers. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transition between income brackets.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2018.

Sec. 11. Minnesota Statutes 2016, section 290.0671, subdivision 7, is amended to read:

Subd. 7. **Inflation adjustment.** The earned income amounts used to calculate the credit and the income thresholds at which the maximum credit begins to be reduced in subdivision 1, and the additional threshold amount for married taxpayers filing joint returns, must be adjusted for inflation. The commissioner shall adjust by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, as amended through December 31, 2016, except that in section 1(f)(3)(B) the word "~~2013~~" "2017" shall be substituted for the word "1992." For ~~2015~~ 2019, the commissioner shall then determine the percent change from the 12 months ending on August 31, ~~2013~~ 2017, to the 12 months ending on August 31, ~~2014~~ 2018, and in each subsequent year, from the 12 months ending on August 31, ~~2013~~ 2017, to the 12 months ending on August 31 of the year preceding the taxable year. The earned income thresholds as adjusted for inflation must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10 amount. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2018.""

Renumber the sections in sequence

The question was taken on the adoption of the Rest amendment to the Rest amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Bakk	Dibble	Hoffman	Lourey	Tomassoni
Bigham	Dziedzic	Isaacson	Marty	Torres Ray
Carlson	Eaton	Kent	Newton	Wiger
Champion	Eken	Klein	Pappas	Wiklund
Clausen	Franzen	Laine	Rest	
Cohen	Frentz	Latz	Simonson	
Cwodzinski	Hayden	Little	Sparks	

Those who voted in the negative were:

Abeler	Draheim	Housley	Koran	Newman
Anderson, B.	Eichorn	Ingebrigtsen	Lang	Osmek
Anderson, P.	Fischbach	Jasinski	Limmer	Pratt
Benson	Gazelka	Jensen	Mathews	Relph
Chamberlain	Goggin	Johnson	Miller	Rosen
Dahms	Hall	Kiffmeyer	Nelson	Ruud

Senjem

Utke

Weber

Westrom

The motion did not prevail. So the amendment to the amendment was not adopted.

Senator Kent moved to amend the first Rest amendment to H.F. No. 4385 as follows:

Page 2, after line 7, insert:

"Page 82, after line 32, insert:

"Sec. 2. Minnesota Statutes 2016, section 126C.44, is amended to read:

**126C.44 SAFE SCHOOLS LEVY REVENUE.**

Subdivision 1. **Safe schools revenue.** (a) Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$36 multiplied by For fiscal year 2020 and later, the initial safe schools revenue for a school district equals \$45 times the district's adjusted pupil units for the school year.

(b) For fiscal year 2020 and later, the cooperative safe schools revenue for a school district that is a member of an intermediate school district equals \$30 times the district's adjusted pupil units for the school year. For fiscal year 2020 and later, the cooperative safe schools revenue for a school district that is a member of a cooperative unit other than an intermediate district that enrolls students equals \$15 times the district's adjusted pupil units for the school year. Revenue raised under this paragraph must be transferred to the intermediate school district or other cooperative unit of which the district is a member and used only for costs associated with safe schools activities authorized under subdivision 3, paragraph (a), clauses (1) to (9). If the district is a member of more than one cooperative unit that enrolls students, the revenue must be allocated among the cooperative units.

(c) For fiscal year 2020 and later, the safe schools revenue for a school district equals the sum of the district's initial safe schools revenue and the district's cooperative safe schools revenue.

Subd. 2. **Safe schools revenue for a charter school.** (a) For fiscal year 2020 and later, safe schools revenue for a charter school equals \$45 times the adjusted pupil units for the school year.

(b) The revenue must be reserved and used only for costs associated with safe schools activities authorized under subdivision 3, paragraph (a), or for building lease expenses not funded by charter school building lease aid that are attributable to facility security enhancements made by the landlord after July 1, 2019.

Subd. 3. **Uses of safe schools revenue.** (a) The proceeds of the levy revenue must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes:

(1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools;

(2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;

(3) to pay the costs for a gang resistance education training curriculum in the district's schools;

(4) to pay the costs for security in the district's schools and on school property;

(5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district;

(6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems;

(7) to pay for facility security enhancements including laminated glass, public announcement systems, emergency communications devices, and equipment and facility modifications related to violence prevention and facility security;

(8) to pay for costs associated with improving the school climate; or

(9) to pay costs for colocating and collaborating with mental health professionals who are not district employees or contractors.

(b) For expenditures under paragraph (a), clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

~~(c) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed \$15 times the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.~~

**EFFECTIVE DATE.** This section is effective for taxes payable in 2019 and later."

Senator Pratt questioned whether the Kent amendment to the Rest amendment was germane.

The President ruled that the amendment to the amendment was germane.

Pursuant to Rule 7.4, Senator Nelson questioned whether the Kent amendment to the Rest amendment was in order. The President ruled the amendment to the amendment was not in order.

Senator Rest appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Abeler	Eichorn	Jasinski	Mathews	Rosen
Anderson, B.	Fischbach	Jensen	Miller	Ruud
Anderson, P.	Gazelka	Johnson	Nelson	Senjem
Benson	Goggin	Kiffmeyer	Newman	Utke
Chamberlain	Hall	Koran	Osmek	Weber
Dahms	Housley	Lang	Pratt	Westrom
Draheim	Ingebrigtsen	Limmer	Relph	

Those who voted in the negative were:

Bakk	Dibble	Hoffman	Lourey	Tomassoni
Bigham	Dziedzic	Isaacson	Marty	Torres Ray
Carlson	Eaton	Kent	Newton	Wiger
Champion	Eken	Klein	Pappas	Wiklund
Clausen	Franzen	Laine	Rest	
Cohen	Frentz	Latz	Simonson	
Cwodzinski	Hayden	Little	Sparks	

So the decision of the President was sustained.

The question was taken on the adoption of the first Rest amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Bakk	Dibble	Hoffman	Lourey	Tomassoni
Bigham	Dziedzic	Isaacson	Marty	Torres Ray
Carlson	Eaton	Kent	Newton	Wiger
Champion	Eken	Klein	Pappas	Wiklund
Clausen	Franzen	Laine	Rest	
Cohen	Frentz	Latz	Simonson	
Cwodzinski	Hayden	Little	Sparks	

Those who voted in the negative were:

Abeler	Eichorn	Jasinski	Mathews	Rosen
Anderson, B.	Fischbach	Jensen	Miller	Ruud
Anderson, P.	Gazelka	Johnson	Nelson	Senjem
Benson	Goggin	Kiffmeyer	Newman	Utke
Chamberlain	Hall	Koran	Osmek	Weber
Dahms	Housley	Lang	Pratt	Westrom
Draheim	Ingebrigtsen	Limmer	Relph	

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

Senator Dziedzic moved to amend H.F. No. 4385, the unofficial engrossment, as follows:

Page 20, lines 13, 22, and 29, reinstate the stricken "5.35" and delete "5.1"

Page 33, after line 33, insert:

**"Sec. 50. [290.0687] PERSONAL AND DEPENDENT CREDIT.**

Subdivision 1. Credit allowed. (a) A resident or part-year resident taxpayer is allowed a credit against the income tax due under section 290.06, subdivision 2c, in an amount equal to the sum of:

(1) \$60, or in the case of a married couple filing a joint return \$120; plus

(2) \$60 multiplied by the number of dependents of the taxpayer, as defined under sections 151 and 152 of the Internal Revenue Code.

(b) The credit is not allowed to an individual who is eligible to be claimed as a dependent, as defined in sections 151 and 152 of the Internal Revenue Code. The credit may not exceed the liability for tax under this chapter.

Subd. 2. **Credit amount.** (a) The credit under subdivision 1 is reduced in the case of married individuals filing a joint return by one percent for each \$1,000, or fraction thereof, above the threshold, and for all other taxpayers by two percent for each \$1,000, or fraction thereof, above the threshold amount.

(b) The threshold amounts are:

(1) \$180,000 of federal adjusted gross income for married individuals filing a joint return; and

(2) \$90,000 of federal adjusted gross income for all other taxpayers.

(c) The thresholds must be increased by an amount equal to:

(1) the threshold dollar amount, multiplied by:

(2) the cost-of-living adjustment determined under section 1(f) of the Internal Revenue Code, as amended through December 16, 2016, for the calendar year in which the taxable year begins, by substituting "calendar year 2017" for "calendar year 1992" in subparagraph (B) of section 1(f)(3).

(d) The determination of the commissioner pursuant to this subdivision shall not be considered a rule and shall not be subject to the Administrative Procedure Act under chapter 14, including section 14.386.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2017, and before January 1, 2020."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Bakk	Dibble	Hoffman	Lourey	Tomassoni
Bigham	Dziedzic	Isaacson	Marty	Torres Ray
Carlson	Eaton	Kent	Newton	Wiger
Champion	Eken	Klein	Pappas	Wiklund
Clausen	Franzen	Laine	Rest	
Cohen	Frentz	Latz	Simonson	
Cwodzinski	Hayden	Little	Sparks	

Those who voted in the negative were:

Abeler	Anderson, B.	Anderson, P.	Benson	Chamberlain
--------	--------------	--------------	--------	-------------



Dahms	Hall	Kiffmeyer	Nelson	Ruud
Draheim	Housley	Koran	Newman	Senjem
Eichorn	Ingebrigtsen	Lang	Osmek	Utke
Fischbach	Jasinski	Limmer	Pratt	Weber
Gazelka	Jensen	Mathews	Relph	Westrom
Goggin	Johnson	Miller	Rosen	

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

Senator Little moved to amend H.F. No. 4385, the unofficial engrossment, as follows:

Page 80, after line 9, insert:

"Sec. 4. Minnesota Statutes 2016, section 297F.05, is amended by adding a subdivision to read:

Subd. 1b. **Annual indexing.** (a) Each year the commissioner shall adjust the tax rates under subdivision 1, including any adjustment made in prior years under this subdivision, by multiplying the mill rates for the current calendar year by an adjustment factor and rounding the result to the nearest mill. The adjustment factor equals the in-lieu sales tax rate that applies to the following calendar year divided by the in-lieu sales tax rate for the current calendar year. For purposes of this subdivision, "in-lieu sales tax rate" means the tax rate established under section 297F.25, subdivision 1. For purposes of the calculations under this subdivision to be made in any year in which an increase in the federal or state excise tax on cigarettes is implemented, the commissioner shall exclude from the calculated average price for the current year an amount equal to any increase in the state or federal excise tax rate.

(b) The commissioner shall publish the resulting rate by November 1 and the rate applies to sales made on or after January 1 of the following year.

(c) The determination of the commissioner under this subdivision is not a rule and is not subject to the Administrative Procedure Act in chapter 14.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies beginning with rates calculated for calendar year 2019."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Bakk	Cwodzinski	Hayden	Latz	Rest
Bigham	Dibble	Hoffman	Little	Simonson
Carlson	Dziedzic	Isaacson	Lourey	Sparks
Champion	Eaton	Kent	Marty	Torres Ray
Clausen	Franzen	Klein	Newton	Wiger
Cohen	Frentz	Laine	Pappas	Wiklund

Those who voted in the negative were:

Abeler	Anderson, B.	Anderson, P.	Benson	Chamberlain
--------	--------------	--------------	--------	-------------

Dahms	Hall	Koran	Osmek	Utke
Draheim	Housley	Lang	Pratt	Weber
Eichorn	Ingebrigtsen	Limmer	Relph	Westrom
Eken	Jasinski	Mathews	Rosen	
Fischbach	Jensen	Miller	Ruud	
Gazelka	Johnson	Nelson	Senjem	
Goggin	Kiffmeyer	Newman	Tomassoni	

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

Senator Marty moved to amend H.F. No. 4385, the unofficial engrossment, as follows:

Page 9, after line 5, insert:

"For corporations, resident individuals, and resident estates and trusts who make a valid election under section 965(h) of the Internal Revenue Code, including any successor in interest, net income for the taxable year includes the ratable amount of deferred foreign income on which the taxpayer makes a federal tax payment in that year."

Page 9, line 12, reinstate the stricken language and delete the new language

Page 9, line 13, delete the new language and after the period, insert "The amendments to the Internal Revenue Code of 1986 made by title I, subtitle D, parts I and II, of the act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, Public Law 115-97, apply and are effective at the same time as they were effective for federal purposes."

Page 11, delete section 13 and insert:

"Sec. 13. Minnesota Statutes 2017 Supplement, section 290.01, subdivision 31, is amended to read:

Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 16, 2016, and as amended by title I, subtitle D, parts I and II, of the act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, Public Law 115-97. Internal Revenue Code also includes any uncodified provision in federal law that relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law. When used in this chapter, the reference to "subtitle A, chapter 1, subchapter N, part 1, of the Internal Revenue Code" is to the Internal Revenue Code as amended through March 18, 2010.

**EFFECTIVE DATE.** This section is effective the day following final enactment and the changes incorporated by federal changes are effective retroactively at the same time they were effective for federal purposes."

Page 15, delete section 20

Page 17, delete section 27

Page 18, delete section 28 and insert:

"Sec. 26. Minnesota Statutes 2016, section 290.0132, is amended by adding a subdivision to read:

Subd. 28. **Deferred foreign income of nonresidents.** In the case of a nonresident individual the amount of deferred foreign income recognized because of section 965 of the Internal Revenue Code is a subtraction.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2016, and before January 1, 2019."

Page 18, after line 20, insert:

"Sec. 29. Minnesota Statutes 2016, section 290.0133, subdivision 6, is amended to read:

Subd. 6. **Special deductions.** (a) The amount of any special deductions under sections 241 to 247 and ~~965~~ 250 of the Internal Revenue Code is an addition.

(b) The addition under this subdivision is reduced by the amount of the deduction under section 245A of the Internal Revenue Code that represents amounts included in federal taxable income in a prior taxable year under section 965 of the Internal Revenue Code.

**EFFECTIVE DATE.** Paragraph (a) is effective retroactively for taxable years beginning after December 31, 2016. Paragraph (b) is effective for taxable years beginning after December 31, 2017."

Page 19, delete section 32 and insert:

"Sec. 31. Minnesota Statutes 2016, section 290.0133, is amended by adding a subdivision to read:

Subd. 15. **Deferred foreign income.** (a) The amount of the deduction provided under section 965(c) of the Internal Revenue Code is an addition.

(b) For a taxpayer making a valid election under section 965(h) of the Internal Revenue Code, the addition under paragraph (a) must be applied ratably to the same tax periods in which the taxpayer includes deferred foreign income in Minnesota net income pursuant to section 290.01, subdivision 19.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2016."

Page 19, delete sections 33 and 34

Page 35, line 29, delete the new language and insert "and 10"

Page 35, line 30, delete the new language

Page 43, after line 25, insert

"Sec. 55. Minnesota Statutes 2016, section 290.21, is amended by adding a subdivision to read:

Subd. 9. **Controlled foreign corporations.** For the purposes of this chapter the income of domestic corporations that is included in net income under sections 951, 951A, or 965 of the Internal Revenue Code is dividend income.

**EFFECTIVE DATE.** This section is effective retroactively beginning for each taxpayer's last taxable year beginning before January 1, 2018."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Franzen moved to amend the Marty amendment to H.F. No. 4385 as follows:

Page 3, after line 9, insert:

"Page 55, after line 27, insert:

"Sec. 66. **STATE AID TO REDUCE SCHOOL DISTRICT TAX LEVIES; STATE AID FOR CHARTER SCHOOLS.**

(a) For fiscal year 2020 and 2021 only, the emergency aid entitlement for a school district or charter school equals \$138,000,000 times the ratio of (1) the district's adjusted pupil units for the previous school year, divided by (2) the total adjusted pupil units for all districts for the previous school year. Aid under this section must be paid in the current year aid payment under Minnesota Statutes, section 127A.45.

(b) In each fiscal year, a school district must use at least 50 percent of the aid under this section to reduce the amount of the district's safe schools levy under Minnesota Statutes, section 126C.44, the long-term facilities maintenance levy under Minnesota Statutes, section 123B.595, or the debt service levy under Minnesota Statutes, section 123B.53.

(c) A charter school may use the aid under this section for any school-related purpose.

**EFFECTIVE DATE.** This section is effective July 1, 2018."

Pursuant to Rule 7.4, Senator Pratt questioned whether the Franzen amendment to the Marty amendment was in order. The President ruled the amendment to the amendment was not in order.

Senator Franzen appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Abeler	Eichorn	Jasinski	Mathews	Rosen
Anderson, B.	Fischbach	Jensen	Miller	Ruud
Anderson, P.	Gazelka	Johnson	Nelson	Senjem
Benson	Goggin	Kiffmeyer	Newman	Utke
Chamberlain	Hall	Koran	Osmek	Weber
Dahms	Housley	Lang	Pratt	Westrom
Draheim	Ingebrigtsen	Limmer	Relph	

Those who voted in the negative were:

Bakk	Dibble	Hoffman	Lourey	Tomassoni
Bigham	Dziedzic	Isaacson	Marty	Torres Ray
Carlson	Eaton	Kent	Newton	Wiger
Champion	Eken	Klein	Pappas	Wiklund
Clausen	Franzen	Laine	Rest	
Cohen	Frentz	Latz	Simonson	
Cwodzinski	Hayden	Little	Sparks	

So the decision of the President was sustained.

The question was taken on the adoption of the Marty amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

Bakk	Dibble	Isaacson	Marty	Torres Ray
Bigham	Dziedzic	Kent	Newton	Wiger
Carlson	Eaton	Klein	Pappas	Wiklund
Champion	Eken	Laine	Rest	
Clausen	Franzen	Latz	Simonson	
Cohen	Frentz	Little	Sparks	
Cwodzinski	Hayden	Lourey	Tomassoni	

Those who voted in the negative were:

Abeler	Eichorn	Ingebrigtsen	Limmer	Relph
Anderson, B.	Fischbach	Jasinski	Mathews	Rosen
Anderson, P.	Gazelka	Jensen	Miller	Ruud
Benson	Goggin	Johnson	Nelson	Senjem
Chamberlain	Hall	Kiffmeyer	Newman	Utke
Dahms	Hoffman	Koran	Osmek	Weber
Draheim	Housley	Lang	Pratt	Westrom

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

Senator Rest moved to amend H.F. No. 4385, the unofficial engrossment, as follows:

Page 18, delete section 28 and insert:

"Sec. 28. Minnesota Statutes 2016, section 290.0132, is amended by adding a subdivision to read:

**Subd. 29. Deferred foreign income of nonresidents.** For a nonresident individual the amount of deferred foreign income recognized because of section 965 of the Internal Revenue Code is a subtraction.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2016, and before January 1, 2019."

Page 18, after line 20, insert:

"Sec. 31. Minnesota Statutes 2016, section 290.0133, subdivision 6, is amended to read:

Subd. 6. **Special deductions.** (a) The amount of any special deductions under sections 241 to 247 of the Internal Revenue Code and ~~965~~ the amount of foreign derived intangible income deducted under section 250 of the Internal Revenue Code is an addition.

(b) The addition under this subdivision is reduced by the amount of the deduction under section 245A of the Internal Revenue Code that represents amounts included in federal taxable income in a prior taxable year under section 965 of the Internal Revenue Code.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2016."

Page 19, delete section 32

Page 21, line 19, delete "and" and delete "to 29" and insert ", and 28"

Page 21, line 24, delete "and" and delete "to 29" and insert ", and 28"

Page 36, line 10, delete the new language and insert "to 28"

Page 43, after line 25, insert:

"Sec. 58. Minnesota Statutes 2016, section 290.21, is amended by adding a subdivision to read:

Subd. 9. **Deferred foreign income.** The income of domestic corporations that is included in net income under section 965 of the Internal Revenue Code is dividend income.

**EFFECTIVE DATE.** This section is effective retroactively for each taxpayer's last taxable year beginning before January 1, 2018."

Page 57, after line 5, insert:

"Sec. 2. Minnesota Statutes 2016, section 16A.152, is amended by adding a subdivision to read:

Subd. 2b. **Transfer of certain tax revenues.** If the state of Minnesota receives tax revenue resulting from the treatment of deferred foreign income under Public Law 115-97, title 1, subtitle D, parts I and II, the commissioner of revenue shall certify to the commissioner of management and budget the amount of the revenue received each fiscal year. The commissioner of management and budget shall then transfer the amount certified under this subdivision to the budget reserve account established under subdivision 1a.

**EFFECTIVE DATE.** This section is effective for revenue received for taxable years beginning after December 31, 2016."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Bakk	Dibble	Hoffman	Lourey	Tomassoni
Bigham	Dziedzic	Isaacson	Marty	Torres Ray
Carlson	Eaton	Kent	Newton	Wiger
Champion	Eken	Klein	Pappas	Wiklund
Clausen	Franzen	Laine	Rest	
Cohen	Frentz	Latz	Simonson	
Cwodzinski	Hayden	Little	Sparks	

Those who voted in the negative were:

Abeler	Eichorn	Jasinski	Mathews	Rosen
Anderson, B.	Fischbach	Jensen	Miller	Ruud
Anderson, P.	Gazelka	Johnson	Nelson	Senjem
Benson	Goggin	Kiffmeyer	Newman	Utke
Chamberlain	Hall	Koran	Osmek	Weber
Dahms	Housley	Lang	Pratt	Westrom
Draheim	Ingebrigtsen	Limmer	Relph	

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

H.F. No. 4385 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Abeler	Eichorn	Jasinski	Mathews	Rosen
Anderson, B.	Fischbach	Jensen	Miller	Ruud
Anderson, P.	Gazelka	Johnson	Nelson	Senjem
Benson	Goggin	Kiffmeyer	Newman	Utke
Chamberlain	Hall	Koran	Osmek	Weber
Dahms	Housley	Lang	Pratt	Westrom
Draheim	Ingebrigtsen	Limmer	Relph	

Those who voted in the negative were:

Bakk	Dibble	Hoffman	Lourey	Tomassoni
Bigham	Dziedzic	Isaacson	Marty	Torres Ray
Carlson	Eaton	Kent	Newton	Wiger
Champion	Eken	Klein	Pappas	Wiklund
Clausen	Franzen	Laine	Rest	
Cohen	Frentz	Latz	Simonson	
Cwodzinski	Hayden	Little	Sparks	

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

### SPECIAL ORDER

**H.F. No. 2899:** A bill for an act relating to insurance; requiring notification of the statutory prohibition against payment of rebates or deductibles by residential contractors; amending Minnesota Statutes 2016, section 325E.66, subdivision 1.

Senator Housley moved to amend H.F. No. 2899, as amended pursuant to Rule 45, adopted by the Senate April 19, 2018, as follows:

(The text of the amended House File is identical to S.F. No. 3188.)

Page 1, after line 22, insert:

**"Sec. 2. [325L08] VIDEO GAMES; PROBABILITY RATES; DISCLOSURE.**

Subdivision 1. **Disclosure.** Video game publishers that distribute video games that contain a system of further purchasing of (1) a randomized reward or rewards, or (2) a consumable virtual item that can be redeemed and directly or indirectly converted to a randomized reward or rewards shall prominently disclose and publish to the consumer the probability rates of receiving each type of randomized reward or rewards at the time of purchase and at the time any mechanism to receive a randomized reward or rewards is activated so as to meaningfully inform the consumer's decision prior to the purchase or activation of any mechanism to receive a randomized reward or rewards.

Subd. 2. **Definitions.** (a) For purposes of this section, the terms in paragraphs (b) and (c) have the meanings given.

(b) "Video game" means an object or device that stores recorded data or instructions, receives data or instructions generated by a person who uses it, and, by processing the data or instructions, creates an interactive game capable of being played, viewed, or experienced on or through a computer, gaming system, console, or other technology.

(c) "Video game publisher" means an entity that publishes video games that have either been created internally or through a separate entity.

Subd. 3. **Enforcement.** The attorney general shall enforce this section under section 8.31.

**EFFECTIVE DATE.** This section is effective July 1, 2018."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2899 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

Abeler	Dibble	Housley	Lourey	Ruud
Anderson, B.	Draheim	Ingebrigtsen	Marty	Senjem
Anderson, P.	Dziedzic	Isaacson	Mathews	Simonson
Bakk	Eaton	Jasinski	Miller	Sparks
Benson	Eichorn	Johnson	Nelson	Tomassoni
Bigham	Eken	Kent	Newman	Torres Ray
Carlson	Fischbach	Kiffmeyer	Newton	Utke
Chamberlain	Franzen	Klein	Osmek	Weber
Champion	Frentz	Koran	Pappas	Wiger
Clausen	Gazelka	Laine	Pratt	Wiklund
Cohen	Goggin	Lang	Relph	
Cwodzinski	Hall	Limmer	Rest	
Dahms	Hoffman	Little	Rosen	



Those who voted in the negative were:

Hayden                      Westrom

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

### SPECIAL ORDER

**S.F. No. 2991:** A bill for an act relating to commerce; regulating real estate appraisals; creating an advisory board; prescribing its duties; amending Minnesota Statutes 2016, section 13D.08, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 82B.

Senator Bakk moved to amend S.F. No. 2991 as follows:

Page 1, after line 10, insert:

"Sec. 2. Minnesota Statutes 2016, section 82.62, is amended by adding a subdivision to read:

Subd. 6a. **Commissioner discretion to reinstate license.** For individuals who were licensed as a broker prior to 1990, the commissioner may enter into an order to reinstate a license revoked or suspended for a failure to renew under subdivision 6, without necessity for reexamination or additional experience requirements, provided the individual submits payment for all prior past due renewal fees and demonstrates compliance with all continuing education requirements under section 82.61."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2991 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Abeler	Dibble	Hoffman	Little	Rosen
Anderson, B.	Draheim	Housley	Lourey	Ruud
Anderson, P.	Dziedzic	Ingebrigtsen	Marty	Senjem
Bakk	Eaton	Isaacson	Mathews	Simonson
Benson	Eichorn	Jasinski	Miller	Sparks
Bigham	Eken	Jensen	Nelson	Tomassoni
Carlson	Fischbach	Johnson	Newman	Torres Ray
Chamberlain	Franzen	Kent	Newton	Utke
Champion	Frentz	Kiffmeyer	Osmek	Weber
Clausen	Gazelka	Klein	Pappas	Westrom
Cohen	Goggin	Koran	Pratt	Wiger
Cwodzinski	Hall	Laine	Relph	Wicklund
Dahms	Hayden	Lang	Rest	

Those who voted in the negative were:

Limmer

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

### SPECIAL ORDER

**S.F. No. 614:** A bill for an act relating to health licensing; modifying the Minnesota Athletic Trainers Act; amending Minnesota Statutes 2016, sections 148.7802, subdivisions 2, 3, 6, 9; 148.7803; 148.7804; 148.7805, subdivisions 1, 3; 148.7806; 148.7808, subdivision 1; 148.7809, subdivisions 1, 2, 4; 148.7810, subdivisions 1, 3; 148.7811; 148.7812, subdivisions 1, 2, 4; 148.7813, subdivision 5; 148.7815; repealing Minnesota Statutes 2016, sections 148.7808, subdivisions 3, 4, 5; 148.7812, subdivisions 3, 5.

Senator Abeler moved to amend S.F. No. 614 as follows:

Page 10, after line 7, insert:

"Sec. 22. Minnesota Statutes 2016, section 148.915, is amended to read:

#### **148.915 RECIPROCITY.**

(a) The board may grant a license to an applicant who meets the following requirements:

(1) submits to the board a notarized application for licensure as a licensed psychologist by reciprocity;

(2) at the time of application, is licensed, certified, or registered to practice psychology in another state or jurisdiction, and has been for at least ~~five~~ two consecutive years immediately preceding the date of application;

(3) has a doctoral degree in psychology, which formed the basis for current licensure in another state or jurisdiction;

(4) is of good moral character and has no pending complaints or active disciplinary or corrective actions in any jurisdiction; and

(5) passes the Professional Responsibility Examination administered by the board and pays the fee associated with sitting for the examination.

(b) If by the laws of any state or the rulings or decisions of the appropriate officers or boards thereof, any burden, obligation, requirement, disqualification, or disability is put upon licensed psychologists licensed and in good standing in this state, affecting the right of these licensed psychologists to be registered or licensed in that state, then the same or like burden, obligation, requirement, disqualification, or disability may be put upon the licensure in this state of licensed psychologists licensed in that state.

Sec. 23. Minnesota Statutes 2017 Supplement, section 148.925, subdivision 5, is amended to read:

Subd. 5. **Supervisory consultation for an applicant for licensure as a licensed psychologist.** Supervision of an applicant for licensure as a licensed psychologist ~~shall include at least two~~ must total 100 hours and must include two hours per week of regularly scheduled in-person consultations per week. For full-time ~~employment~~ experience, one hour ~~of which shall~~ must be with the primary supervisor on an individual basis. The remaining hour may be with a designated supervisor. The board may approve an exception to the weekly supervision requirement for a week when the supervisor was ill or otherwise unable to provide supervision. The board may prorate the two hours per week of supervision for individuals preparing for licensure on a part-time basis. Supervised psychological employment does not qualify for licensure when the supervisory consultation is not adequate as described in subdivision 1, or in the board rules. The board shall not require a supervisee to have more than two hours of supervision per week for the purpose of obtaining a license, unless the supervisee is making up missed hours as permitted by the board.

Sec. 24. Minnesota Statutes 2017 Supplement, section 148.925, subdivision 6, is amended to read:

Subd. 6. ~~Supervisee duties~~ **Services provided by individuals preparing for licensure.** ~~Applicants~~ Individuals preparing for licensure as a licensed psychologist during their postdegree supervised psychological ~~employment~~ experience may perform ~~as part of their training~~ any of the services specified in section 148.89, subdivision 5, but only under qualified supervision if the services are performed as part of their training."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 614 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dibble	Hoffman	Limmer	Rest
Anderson, B.	Draheim	Housley	Little	Rosen
Anderson, P.	Dziedzic	Ingebrigtsen	Lourey	Ruud
Bakk	Eaton	Isaacson	Marty	Senjem
Benson	Eichorn	Jasinski	Mathews	Simonson
Bigham	Eken	Jensen	Miller	Sparks
Carlson	Fischbach	Johnson	Nelson	Tomassoni
Chamberlain	Franzen	Kent	Newman	Torres Ray
Champion	Frentz	Kiffmeyer	Newton	Utke
Clausen	Gazelka	Klein	Osmek	Weber
Cohen	Goggin	Koran	Pappas	Westrom
Cwodzinski	Hall	Laine	Pratt	Wiger
Dahms	Hayden	Lang	Relph	Wiklund

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

**SPECIAL ORDER**

**S.F. No. 3019:** A bill for an act relating to health; making changes to tribal vital record keeping; amending Minnesota Statutes 2016, section 144.225, subdivisions 2, 2a, 7.

S.F. No. 3019 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:

Abeler	Dibble	Hoffman	Little	Rosen
Anderson, B.	Draheim	Housley	Lourey	Ruud
Anderson, P.	Dziedzic	Ingebrigtsen	Marty	Senjem
Bakk	Eaton	Isaacson	Mathews	Simonson
Benson	Eichorn	Jasinski	Miller	Sparks
Bigham	Eken	Jensen	Nelson	Tomassoni
Carlson	Fischbach	Johnson	Newman	Torres Ray
Chamberlain	Franzen	Kent	Newton	Utke
Champion	Frentz	Klein	Osmek	Weber
Clausen	Gazelka	Koran	Pappas	Westrom
Cohen	Goggin	Laine	Pratt	Wiger
Cwodzinski	Hall	Lang	Relph	Wiklund
Dahms	Hayden	Limmer	Rest	

So the bill passed and its title was agreed to.

**MEMBERS EXCUSED**

Senator Latz was excused from the Session of today from 10:00 to 10:15 a.m. and at 5:10 p.m. Senator Hawj was excused from the Session of today at 1:15 p.m. Senator Jensen was excused from the Session of today from 5:10 to 5:15 p.m. Senator Kiffmeyer was excused from the Session of today from 5:20 to 5:25 p.m.

**ADJOURNMENT**

Senator Gazelka moved that the Senate do now adjourn until 11:30 a.m., Monday, May 7, 2018. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate