

## THIRTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, March 30, 2011

The Senate met at 10:00 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. David D. Colby.

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:

Bakk	Gazelka	Koch	Nelson	Saxhaug
Benson	Gerlach	Kruse	Newman	Senjem
Berglin	Gimse	Kubly	Nienow	Sheran
Bonoff	Goodwin	Langseth	Olson	Sieben
Brown	Hall	Latz	Ortman	Skoe
Carlson	Hann	Lillie	Pappas	Sparks
Chamberlain	Harrington	Limmer	Parry	Stumpf
Cohen	Higgins	Lourey	Pederson	Thompson
Dahms	Hoffman	Magnus	Pogemiller	Tomassoni
Daley	Howe	Marty	Reinert	Torres Ray
DeKruif	Ingebrigtsen	Metzen	Rest	Vanderveer
Dibble	Jungbauer	Michel	Robling	Wiger
Fischbach	Kelash	Miller	Rosen	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 29, 2011

The Honorable Kurt Zellers  
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2011 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2011	Date Filed 2011
	362	10	12:58 p.m. March 29	March 29

Sincerely,  
Mark Ritchie  
Secretary of State

#### MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1101 and 934.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 29, 2011

#### FIRST READING OF HOUSE BILLS

The following bills were read the first time.

**H.F. No. 1101:** A bill for an act relating to higher education; amending postsecondary education provisions; requiring reports; changing Minnesota college savings plan matching grants; making technical changes; modifying definitions; setting requirements for credit transfer; providing stable undergraduate tuition rates; modifying achieve scholarship program; modifying contract and salary provisions; prohibiting use of certain public funds to support human cloning; requiring a study of graduate education in for-profit sector; repealing certain provisions related to equipment and apparel; appropriating money; amending Minnesota Statutes 2010, sections 15A.081, subdivision 7c; 135A.51, subdivision 2; 136A.121, subdivision 6; 136F.40, subdivision 2; 136G.01; 136G.03, subdivisions 1, 18, 27; 136G.05, subdivisions 1, 6, 8; proposing coding for new law in Minnesota Statutes, chapters 136F; 137; 145; repealing Minnesota Statutes 2010, sections 135A.26; 136G.11, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 181.986; Laws 2009, chapter 95, article 2, section 39.

Senator Koch moved that H.F. No. 1101 be laid on the table. The motion prevailed.

**H.F. No. 934:** A bill for an act relating to education; providing for policy and funding for family, adult, and prekindergarten through grade 12 education including general education, academic

excellence, special education, facilities and technology, nutrition and accounting, libraries, early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, and forecast adjustments; requiring reports; requiring studies; appropriating money; amending Minnesota Statutes 2010, sections 13D.02, by adding a subdivision; 16A.152, subdivision 2; 93.22, subdivision 1; 93.2236; 120A.41; 120B.023, subdivision 2; 120B.07; 120B.30, subdivision 1, by adding a subdivision; 120B.35, subdivision 1; 120B.36, subdivision 1; 122A.40, subdivisions 5, 6, 7, 8, 9, 10, 11, by adding subdivisions; 122A.41, subdivisions 2, 3, 4, 5, 6, 14, by adding a subdivision; 122A.414, subdivisions 1a, 2, 2a, 2b, 4; 122A.416; 122A.60; 122A.61, subdivision 1; 123A.55; 123B.02, subdivision 15; 123B.09, subdivision 8; 123B.143, subdivision 1; 123B.54; 123B.59, subdivision 5; 123B.75, subdivision 5; 124D.10, subdivision 3; 124D.19, subdivision 3; 124D.531, subdivision 1; 124D.86, subdivision 3; 125A.07; 125A.21, subdivisions 2, 3, 5, 7; 125A.515, by adding a subdivision; 125A.69, subdivision 1; 125A.76, subdivision 1; 125A.79, subdivision 1; 126C.10, subdivisions 1, 2, 2a, 3, 7, 8, 8a, 13a, 14, by adding a subdivision; 126C.126; 126C.20; 126C.40, subdivision 1; 126C.44; 127A.33; 127A.441; 127A.45, subdivision 2; 179A.16, subdivision 1; 179A.18, subdivisions 1, 3; 298.28, subdivisions 2, 4; Laws 2009, chapter 79, article 5, section 60, as amended; Laws 2009, chapter 96, article 1, section 24, subdivisions 2, as amended, 3, 4, as amended, 5, as amended, 6, as amended, 7, as amended; article 2, section 67, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, 9, as amended; article 3, section 21, subdivisions 3, 4, as amended; article 4, section 12, subdivision 6, as amended; article 5, section 13, subdivisions 2, 3, 4, as amended; article 6, section 11, subdivisions 3, as amended, 4, as amended, 8, as amended, 12, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; 124D; 179A; repealing Minnesota Statutes 2010, sections 122A.61; 123B.05; 123B.59, subdivisions 6, 7; 124D.86, subdivisions 1, 1a, 2, 4, 5, 6; 126C.10, subdivision 5; 127A.46; 129C.10, subdivisions 1, 2, 3, 3a, 4, 6, 7, 8; 129C.105; 129C.15; 129C.20; 129C.25; 129C.26; 179A.18, subdivision 2; Laws 2009, chapter 88, article 12, section 23.

Senator Koch moved that H.F. No. 934 be laid on the table. The motion prevailed.

### REPORTS OF COMMITTEES

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

#### **Senator Robling from the Committee on Finance, to which was re-referred**

**S.F. No. 1030:** A bill for an act relating to education; providing for general education; education excellence; special programs; facilities and technology; nutrition and accounting; libraries; early childhood education; prevention; self-sufficiency and lifelong learning; state agencies; and forecast adjustments; amending Minnesota Statutes 2010, sections 11A.16, subdivision 5; 120A.22, subdivision 11; 120A.24; 120B.023, subdivision 2; 120B.07; 121A.15, subdivision 8; 122A.09, subdivision 4; 122A.18, subdivision 2; 122A.40, subdivisions 7, 9, 11, 13, 15, 16, by adding subdivisions; 122A.41, subdivisions 4, 14, by adding a subdivision; 123B.42, subdivision 1; 123B.44, subdivision 1; 123B.54; 123B.57; 123B.63, subdivision 3; 123B.75, subdivision 5; 123B.88, by adding a subdivision; 123B.92, subdivision 1; 124D.09, subdivisions 5, 7, 8; 124D.10, subdivision 3; 124D.11, subdivision 4; 124D.36; 124D.37; 124D.38, subdivision 3; 124D.385, subdivision 3; 124D.39; 124D.40; 124D.42; 124D.44; 124D.45, subdivision 2; 124D.4531, subdivision 1; 124D.531, subdivisions 1, 4; 124D.59, subdivision 2; 125A.69, subdivision 1;

125A.76, subdivision 1; 125A.79, subdivision 1; 126C.10, subdivisions 2, 3, 7, 8, 8a, 14, 18; 126C.126; 126C.20; 126C.40, subdivision 1; 126C.44; 127A.441; 127A.45, subdivisions 2, 6a; 171.05, subdivision 2; 171.17, subdivision 1; 171.22, subdivision 1; 181A.05, subdivision 1; Laws 1999, chapter 241, article 4, section 25, by adding a subdivision; Laws 2008, chapter 363, article 2, section 46, subdivision 1, as amended; Laws 2009, chapter 96, article 1, section 24, subdivisions 2, as amended, 3, 4, as amended, 5, as amended, 6, as amended, 7, as amended; article 2, section 67, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, 9, as amended; article 3, section 21, subdivisions 3, 4, as amended; article 4, section 12, subdivision 6, as amended; article 5, section 13, subdivisions 2, 3, 4, as amended; article 6, section 11, subdivisions 3, as amended, 4, as amended, 8, as amended, 12, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; 124D; repealing Minnesota Statutes 2010, sections 120A.26, subdivisions 1, 2; 122A.60; 122A.61; 123B.05; 124D.11, subdivision 8; 124D.38, subdivisions 4, 5, 6; 124D.86; 124D.87; 124D.871; 124D.88; 124D.892, subdivisions 1, 2; 124D.896; 127A.46; Minnesota Rules, parts 3535.0100; 3535.0110; 3535.0120; 3535.0130; 3535.0140; 3535.0150; 3535.0160; 3535.0170; 3535.0180.

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

Page 21, line 22, delete "5,684,714,000" and insert "5,684,409,000"

Page 21, line 23, delete "5,815,640,000" and insert "5,815,940,000"

Page 21, line 24, delete "\$4,019,838,000" and insert "\$4,019,533,000"

Page 21, line 26, delete "\$1,722,788,000" and insert "\$1,722,657,000" and delete "\$4,092,852,000" and insert "\$4,093,283,000"

Page 74, after line 18, insert:

"Sec. 4. Minnesota Statutes 2010, section 127A.46, is amended to read:

**127A.46 CHANGE IN PAYMENT OF AIDS AND CREDITS.**

(a) If the commissioner of management and budget determines that modifications in the payment schedule would reduce the need for state short-term borrowing, the commissioner may modify payments to districts according to this section. The modifications must begin no sooner than September 1 of each fiscal year, and must remain in effect until no later than May 30 of that same fiscal year. In calculating the payment to a district pursuant to section 127A.45, subdivision 3, the commissioner may subtract the sum specified in that subdivision, plus an additional amount no greater than the following:

(1) the net cash balance in each of the district's operating funds on June 30 of the preceding fiscal year; minus

(2) the product of \$700 times the number of resident pupil units in the preceding fiscal year; minus

(3) the amount of payments made by the county treasurer during the preceding fiscal year, pursuant to section 276.11, which is considered revenue for the current school year. However, no additional amount shall be subtracted if the total of the net unappropriated fund balances in the district's four operating funds on June 30 of the preceding fiscal year, is less than the product of

\$700 times the number of resident pupil units in the preceding fiscal year. The net cash balance must include all cash and investments, less certificates of indebtedness outstanding, and orders not paid for want of funds.

(b) A district may appeal the payment schedule established by this section according to the procedures established in section 127A.45, subdivision 4.

(c) The commissioner of education shall calculate the interest on delayed school district payments based on the average daily invested treasurer's cash interest during the period in which the delayed payments are in effect. The amount of this interest shall be included in the payments to districts by May 30. The amounts necessary to make this interest payment are appropriated to the commissioner."

Page 76, delete section 8

Page 76, after line 19, insert:

"Section 1. Minnesota Statutes 2010, section 134.195, subdivision 8, is amended to read:

Subd. 8. **Funding.** The ordinance or resolution establishing the library shall provide for joint financing of the library by the school district and the city. The city shall provide at least the minimum dollar amount established in section 134.34, subdivision 1. The school district shall provide money for staff and materials for the library at least in proportion to the use related to curriculum, as determined by the circulation statistics of the library. ~~Neither the city nor the school district shall reduce the financial support provided for operation of library or media services below the level of support provided in the preceding year.~~

**EFFECTIVE DATE.** This section is effective for revenue retroactive to fiscal year 2011 and later."

Renumber the sections in sequence

Amend the title accordingly

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

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

**H.F. No. 42** 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.
42	27				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 42 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 42, the third engrossment; and insert the language after the enacting clause of S.F. No. 27, the first engrossment; further, delete the title of H.F. No. 42, the third engrossment; and insert the title of S.F. No. 27, the first engrossment.

And when so amended H.F. No. 42 will be identical to S.F. No. 27, and further recommends that H.F. No. 42 be given its second reading and substituted for S.F. No. 27, 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.

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

**H.F. No. 1140** 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.
1140	898				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1140 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1140, the third engrossment; and insert the language after the enacting clause of S.F. No. 898, the third engrossment; further, delete the title of H.F. No. 1140, the third engrossment; and insert the title of S.F. No. 898, the third engrossment.

And when so amended H.F. No. 1140 will be identical to S.F. No. 898, and further recommends that H.F. No. 1140 be given its second reading and substituted for S.F. No. 898, 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. No. 1030 was read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 42 and 1140 were read the second time.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time.

**Senator Senjem introduced—**

**S.F. No. 1063:** A bill for an act relating to transportation; designating Highway 14 as Black and

Yellow Trail; amending Minnesota Statutes 2010, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

**Senators Cohen and Reinert introduced—**

**S.F. No. 1064:** A bill for an act relating to state government; modifying authority of the executive branch to reduce unexpended allotments; amending Minnesota Statutes 2010, section 16A.152, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Finance.

**Senators Nienow, Fischbach, Saxhaug, Kubly and Jungbauer introduced—**

**S.F. No. 1065:** A bill for an act relating to health professions; modifying the scope of practice for chiropractors; amending Minnesota Statutes 2010, sections 148.01, subdivision 1, by adding a subdivision; 148.105, subdivision 1; repealing Minnesota Statutes 2010, section 148.01, subdivisions 2, 3; Minnesota Rules, parts 2500.0100, subparts 3, 4b, 9b; 2500.4000.

Referred to the Committee on Health and Human Services.

**Senator Dahms introduced—**

**S.F. No. 1066:** A bill for an act relating to natural resources; appropriating money for Ramsey Park.

Referred to the Committee on Environment and Natural Resources.

**Senators Lourey, Marty, Sheran and Nienow introduced—**

**S.F. No. 1067:** A bill for an act relating to human services; repealing requirement relating to evaluation of actuarial soundness of managed health care contracts; repealing Minnesota Statutes 2010, section 256B.69, subdivision 5k.

Referred to the Committee on Health and Human Services.

**Senators Daley, Scheid, Thompson, Vandever and Harrington introduced—**

**S.F. No. 1068:** A bill for an act relating to civil actions; providing immunity in certain cases involving the use of school facilities for recreational activities; amending Minnesota Statutes 2010, section 466.03, subdivision 6e, by adding a subdivision.

Referred to the Committee on Judiciary and Public Safety.

**Senators Howe and Parry introduced—**

**S.F. No. 1069:** A bill for an act relating to energy; establishing setbacks for certain wind projects; amending Minnesota Statutes 2010, section 216F.08.

Referred to the Committee on Energy, Utilities and Telecommunications.

**Senator Howe introduced—**

**S.F. No. 1070:** A bill for an act relating to energy; amending definition of community-based energy development project; amending Minnesota Statutes 2010, section 216B.1612, subdivision 2.

Referred to the Committee on Energy, Utilities and Telecommunications.

**MOTIONS AND RESOLUTIONS**

Senator Koch moved that H.F. No. 1010 be taken from the table, and given a second reading. The motion prevailed.

**H.F. No. 1010:** A bill for an act relating to state government; appropriating money for environment, natural resources, commerce, and energy; creating accounts; modifying disposition of certain receipts; modifying responsibilities and authorities; creating an advisory committee; modifying Petroleum Tank Release Cleanup Act; modifying cooperative electric association petition provisions; repealing definitions and requirements; requiring rulemaking on wild rice standards; amending Minnesota Statutes 2010, sections 85.052, subdivision 4; 89.21; 97A.055, by adding a subdivision; 97A.071, subdivision 2; 97A.075; 103G.271, subdivision 6; 103G.301, subdivision 2; 103G.615, subdivision 2; 115A.1314; 115A.1320, subdivision 1; 115C.09, subdivision 3c; 115C.13; 116P.04, by adding a subdivision; 116P.05, subdivision 2; 216B.026, subdivision 1; 290.431; 290.432; 357.021, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 16E; 84; 89; 97A; 103G; repealing Minnesota Statutes 2010, sections 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 84.027, subdivision 11; 116P.09, subdivision 4; 116P.14.

H.F. No. 1010 was read the second time.

Senator Koch moved that H.F. No. 1010 be laid on the table. The motion prevailed.

**SPECIAL ORDERS**

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

S.F. Nos. 1047 and 760.

**SPECIAL ORDER**

**S.F. No. 1047:** A bill for an act relating to state government financing; establishing the Sunset Advisory Commission; prohibiting legislative liaison positions in state agencies and departments; eliminating assistant commissioner positions and reducing deputy commissioner positions; changing provisions of performance data required in the budget proposal; requiring specific funding information for forecasted programs; implementing zero-based budgeting principles; implementing federal offset program for collection of debts owed to state agencies; providing a state employee salary freeze; providing an HSA-eligible high-deductible health plan for state employees; requiring a 15 percent reduction in the state workforce; requiring a verification audit for dependent eligibility



for state employee health insurance; requiring a request for proposals for recommendations on state building efficiency, state vehicle management, tax fraud prevention, and strategic sourcing; requiring reports; appropriating money; amending Minnesota Statutes 2010, sections 15.057; 15.06, subdivision 8; 16A.10, subdivisions 1a, 1b, 1c; 16A.103, subdivision 1a; 16A.11, subdivision 3; 16B.03; 43A.08, subdivision 1; 43A.23, 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; 270C.41; Laws 2010, chapter 215, article 6, section 4; proposing coding for new law in Minnesota Statutes, chapters 16A; 16D; 43A; proposing coding for new law as Minnesota Statutes, chapter 3D; repealing Minnesota Statutes 2010, section 197.585, subdivision 5.

Senator Parry moved to amend S.F. No. 1047 as follows:

Page 15, line 2, delete "\$475,404,000" and insert "\$302,100,000"

Page 15, line 22, delete "\$2,130,000" and insert "\$6,709,000"

Page 45, after line 33, insert:

"Sec. 49. **ESTIMATED REVENUE.**

The initiatives in sections 31, 47, and 48 are expected to result in new general fund revenues of \$169,900,000 for the biennium ending June 30, 2013."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 24, as follows:

Those who voted in the affirmative were:

Benson	Gazelka	Koch	Newman	Sheran
Brown	Gerlach	Kruse	Nienow	Sieben
Carlson	Gimse	Lillie	Olson	Thompson
Chamberlain	Hall	Limmer	Ortman	Vanderveer
Cohen	Hann	Lourey	Parry	Wolf
Dahms	Hoffman	Magnus	Pederson	
Daley	Howe	Michel	Robling	
DeKruif	Ingebrigtsen	Miller	Rosen	
Fischbach	Jungbauer	Nelson	Senjem	

Those who voted in the negative were:

Bakk	Harrington	Latz	Reinert	Stumpf
Berglin	Higgins	Marty	Rest	Tomassoni
Bonoff	Kelash	Metzen	Saxhaug	Torres Ray
Dibble	Kubly	Pappas	Skoe	Wiger
Goodwin	Langseth	Pogemiller	Sparks	

The motion prevailed. So the amendment was adopted.

Senator Cohen moved to amend S.F. No. 1047 as follows:

Page 37, line 12, after the second comma, insert "the Department of Military Affairs, the Department of Veterans Affairs,"

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

The motion prevailed. So the amendment was adopted.

Senator Goodwin moved to amend S.F. No. 1047 as follows:

Page 37, line 12, after the second comma, insert "employees of the Department of Corrections who spend at least 75 percent of their time in direct contact with inmates or patients,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 45 and nays 20, as follows:

Those who voted in the affirmative were:

Bakk	Harrington	Lillie	Ortman	Sieben
Benson	Higgins	Limmer	Pappas	Skoe
Berglin	Howe	Lourey	Pederson	Sparks
Bonoff	Jungbauer	Marty	Pogemiller	Stumpf
Cohen	Kelash	Metzen	Reinert	Tomassoni
Daley	Kruse	Miller	Rest	Torres Ray
Dibble	Kubly	Nelson	Rosen	Vandeveer
Goodwin	Langseth	Nienow	Saxhaug	Wiger
Hall	Latz	Olson	Sheran	Wolf

Those who voted in the negative were:

Brown	DeKruif	Gimse	Koch	Parry
Carlson	Fischbach	Hann	Magnus	Robling
Chamberlain	Gazelka	Hoffman	Michel	Senjem
Dahms	Gerlach	Ingebrigtsen	Newman	Thompson

The motion prevailed. So the amendment was adopted.

Senator Dibble moved to amend S.F. No. 1047 as follows:

Page 37, line 12, after the second comma, insert "employees of the Department of Transportation classified in the transportation generalist position,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Bakk	Dibble	Kelash	Lourey	Pogemiller
Berglin	Goodwin	Kubly	Marty	Reinert
Bonoff	Harrington	Langseth	Metzen	Rest
Cohen	Higgins	Latz	Pappas	Saxhaug

Sheran	Skoe	Stumpf	Torres Ray
Sieben	Sparks	Tomassoni	Wiger

Those who voted in the negative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vandever
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

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

Senator Stumpf moved to amend S.F. No. 1047 as follows:

Page 2, line 17, delete "27,874,000" and insert "27,749,000" and delete "27,874,000" and insert "27,749,000"

Page 6, after line 28, insert:

"(h) \$125,000 each year are for grants to Minnesota Public Radio."

Reletter 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 28 and nays 37, as follows:

Those who voted in the affirmative were:

Bakk	Harrington	Lourey	Rest	Stumpf
Berglin	Higgins	Marty	Saxhaug	Tomassoni
Bonoff	Kelash	Metzen	Sheran	Torres Ray
Cohen	Kubly	Pappas	Sieben	Wiger
Dibble	Langseth	Pogemiller	Skoe	
Goodwin	Latz	Reinert	Sparks	

Those who voted in the negative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vandever
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

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

Senator Limmer moved to amend S.F. No. 1047 as follows:

Page 45, line 3, after "revenue" insert "and data practices"

Page 45, line 5, before the period, insert "and address data access and privacy issues involved"

in implementation of the system"

The motion prevailed. So the amendment was adopted.

Senator Torres Ray moved to amend S.F. No. 1047 as follows:

Page 37, line 12, after the second comma, insert "employees who are nurses licensed under chapter 148 and are employed in a nursing capacity,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Bakk	Harrington	Lourey	Rest	Stumpf
Berglin	Higgins	Marty	Saxhaug	Tomassoni
Bonoff	Kelash	Metzen	Sheran	Torres Ray
Cohen	Kubly	Pappas	Sieben	Wiger
Dibble	Langseth	Pogemiller	Skoe	
Goodwin	Latz	Reinert	Sparks	

Those who voted in the negative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vanderveer
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

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

Senator Bakk moved to amend S.F. No. 1047 as follows:

Page 11, line 2, delete "1,350,000" and insert "928,000" and delete "1,350,000" and insert "928,000"

Page 11, delete lines 18 to 26

Page 12, after line 2, insert:

"Sec. 22. MINNESOTA INDIAN AFFAIRS COUNCIL \$ 422,000 \$ 422,000

Of this appropriation \$167,000 each year is for a cultural resources specialist to assist the council with the duties assigned to it relating to Indian burial grounds under Minnesota Statutes, section 307.08."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Bakk moved to amend S.F. No. 1047 as follows:

Page 15, line 2, delete "\$475,404,000" and insert "\$324,229,000"

Page 36, lines 13 to 16, reinstate the stricken language and delete the new language

Page 36, line 18, delete everything after the period

Page 36, before line 19, insert:

"(e) Beginning January 1, 2012, the health insurance benefit plan offered to legislators and legislative employees must be a health savings account-eligible high-deductible health plan that is compatible with the definition of a high-deductible plan in section 223 of the United States Internal Revenue Code. The following provisions apply to the plan required under this paragraph:"

Page 41, after line 25, insert:

"Sec. 44. Minnesota Statutes 2010, section 289A.08, subdivision 3, is amended to read:

Subd. 3. **Corporations.** (a) A corporation that is subject to the state's jurisdiction to tax under section 290.014, subdivision 5, must file a return, ~~except that a foreign operating corporation as defined in section 290.01, subdivision 6b, is not required to file a return.~~

(b) Members of a unitary business that are required to file a combined report on one return must designate a member of the unitary business to be responsible for tax matters, including the filing of returns, the payment of taxes, additions to tax, penalties, interest, or any other payment, and for the receipt of refunds of taxes or interest paid in excess of taxes lawfully due. The designated member must be a member of the unitary business that is filing the single combined report and either:

(1) a corporation that is subject to the taxes imposed by chapter 290; or

(2) a corporation that is not subject to the taxes imposed by chapter 290:

(i) Such corporation consents by filing the return as a designated member under this clause to remit taxes, penalties, interest, or additions to tax due from the members of the unitary business subject to tax, and receive refunds or other payments on behalf of other members of the unitary business. The member designated under this clause is a "taxpayer" for the purposes of this chapter and chapter 270C, and is liable for any liability imposed on the unitary business under this chapter and chapter 290.

(ii) If the state does not otherwise have the jurisdiction to tax the member designated under this clause, consenting to be the designated member does not create the jurisdiction to impose tax on the designated member, other than as described in item (i).

(iii) The member designated under this clause must apply for a business tax account identification number.

(c) The commissioner shall adopt rules for the filing of one return on behalf of the members of an affiliated group of corporations that are required to file a combined report. All members of an affiliated group that are required to file a combined report must file one return on behalf of the members of the group under rules adopted by the commissioner.

(d) If a corporation claims on a return that it has paid tax in excess of the amount of taxes lawfully

due, that corporation must include on that return information necessary for payment of the tax in excess of the amount lawfully due by electronic means.

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

Sec. 45. 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)~~ (11) 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)~~ (12) the amount of net income excluded under section 114 of the Internal Revenue Code;

~~(14)~~ (13) 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)~~ (14) 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)~~ (15) 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)~~ (16) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code;

~~(18)~~ (17) the exclusion allowed under section 139A of the Internal Revenue Code for federal subsidies for prescription drug plans;

~~(19)~~ (18) 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) (19) 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) (20) discharge of indebtedness income resulting from reacquisition of business indebtedness and deferred under section 108(i) of the Internal Revenue Code.~~

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

Sec. 46. Minnesota Statutes 2010, section 290.01, subdivision 19d, is amended to read:



Subd. 19d. **Corporations; modifications decreasing federal taxable income.** For corporations, there shall be subtracted from federal taxable income after the increases provided in subdivision 19c:

(1) the amount of foreign dividend gross-up added to gross income for federal income tax purposes under section 78 of the Internal Revenue Code;

(2) the amount of salary expense not allowed for federal income tax purposes due to claiming the work opportunity credit under section 51 of the Internal Revenue Code;

(3) any dividend (not including any distribution in liquidation) paid within the taxable year by a national or state bank to the United States, or to any instrumentality of the United States exempt from federal income taxes, on the preferred stock of the bank owned by the United States or the instrumentality;

(4) amounts disallowed for intangible drilling costs due to differences between this chapter and the Internal Revenue Code in taxable years beginning before January 1, 1987, as follows:

(i) to the extent the disallowed costs are represented by physical property, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7, subject to the modifications contained in subdivision 19e; and

(ii) to the extent the disallowed costs are not represented by physical property, an amount equal to the allowance for cost depletion under Minnesota Statutes 1986, section 290.09, subdivision 8;

(5) the deduction for capital losses pursuant to sections 1211 and 1212 of the Internal Revenue Code, except that:

(i) for capital losses incurred in taxable years beginning after December 31, 1986, capital loss carrybacks shall not be allowed;

(ii) for capital losses incurred in taxable years beginning after December 31, 1986, a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be allowed;

(iii) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryback to each of the three taxable years preceding the loss year, subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and

(iv) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryover to each of the five taxable years succeeding the loss year to the extent such loss was not used in a prior taxable year and subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed;

(6) an amount for interest and expenses relating to income not taxable for federal income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or 291 of the Internal Revenue Code in computing federal taxable income;

(7) in the case of mines, oil and gas wells, other natural deposits, and timber for which percentage depletion was disallowed pursuant to subdivision 19c, clause (9), a reasonable allowance for depletion based on actual cost. In the case of leases the deduction must be apportioned between the lessor and lessee in accordance with rules prescribed by the commissioner. In the case of property held in trust, the allowable deduction must be apportioned between the income

beneficiaries and the trustee in accordance with the pertinent provisions of the trust, or if there is no provision in the instrument, on the basis of the trust's income allocable to each;

(8) 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, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7;

(9) amounts included in federal taxable income that are due to refunds of income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or a foreign country or possession of the United States to the extent that the taxes were added to federal taxable income under ~~section 290.01~~, subdivision 19c, clause (1), in a prior taxable year;

~~(10) 80 percent of royalties, fees, or other like income accrued or received from a foreign operating corporation or a foreign corporation which is part of the same unitary business as the receiving corporation, unless the income resulting from such payments or accruals is income from sources within the United States as defined in subtitle A, chapter 1, subchapter N, part 1, of the Internal Revenue Code;~~

~~(11)~~ (10) income or gains from the business of mining as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota franchise tax;

~~(12)~~ (11) the amount of disability access expenditures in the taxable year which are not allowed to be deducted or capitalized under section 44(d)(7) of the Internal Revenue Code;

~~(13)~~ (12) the amount of qualified research expenses not allowed for federal income tax purposes under section 280C(c) of the Internal Revenue Code, but only to the extent that the amount exceeds the amount of the credit allowed under section 290.068;

~~(14)~~ (13) the amount of salary expenses not allowed for federal income tax purposes due to claiming the Indian employment credit under section 45A(a) of the Internal Revenue Code;

~~(15)~~ (14) for a corporation whose foreign sales corporation, as defined in section 922 of the Internal Revenue Code, constituted a foreign operating corporation during any taxable year ending before January 1, 1995, and a return was filed by August 15, 1996, claiming the deduction under section 290.21, subdivision 4, for income received from the foreign operating corporation, an amount equal to 1.23 multiplied by the amount of income excluded under section 114 of the Internal Revenue Code, provided the income is not income of a foreign operating company;

~~(16)~~ (15) any decrease 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;

~~(17)~~ (16) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19c, clause ~~(15)~~ (14), an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19c, clause ~~(15)~~ (14). The resulting delayed depreciation cannot be less than zero;

~~(18)~~ (17) in each of the five tax years immediately following the tax year in which an addition

is required under subdivision 19c, clause ~~(16)~~ (15), an amount equal to one-fifth of the amount of the addition; and

~~(19)~~ (18) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under ~~section 290.01,~~ subdivision 19c, clause ~~(25)~~ (20).

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

Sec. 47. Minnesota Statutes 2010, section 290.0921, subdivision 3, is amended to read:

Subd. 3. **Alternative minimum taxable income.** "Alternative minimum taxable income" is Minnesota net income as defined in section 290.01, subdivision 19, and includes the adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f), and (h) of the Internal Revenue Code. If a corporation files a separate company Minnesota tax return, the minimum tax must be computed on a separate company basis. If a corporation is part of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis. The following adjustments must be made.

(1) For purposes of the depreciation adjustments under section 56(a)(1) and 56(g)(4)(A) of the Internal Revenue Code, the basis for depreciable property placed in service in a taxable year beginning before January 1, 1990, is the adjusted basis for federal income tax purposes, including any modification made in a taxable year under section 290.01, subdivision 19e, or Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c).

For taxable years beginning after December 31, 2000, the amount of any remaining modification made under section 290.01, subdivision 19e, or Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c), not previously deducted is a depreciation allowance in the first taxable year after December 31, 2000.

(2) The portion of the depreciation deduction allowed for federal income tax purposes under section 168(k) of the Internal Revenue Code that is required as an addition under section 290.01, subdivision 19c, clause ~~(15)~~ (14), is disallowed in determining alternative minimum taxable income.

(3) The subtraction for depreciation allowed under section 290.01, subdivision 19d, clause ~~(17)~~ (16), is allowed as a depreciation deduction in determining alternative minimum taxable income.

(4) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d) of the Internal Revenue Code does not apply.

(5) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal Revenue Code does not apply.

(6) The special rule for dividends from section 936 companies under section 56(g)(4)(C)(iii) does not apply.

(7) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code does not apply.

(8) The tax preference for intangible drilling costs under section 57(a)(2) of the Internal

Revenue Code must be calculated without regard to subparagraph (E) and the subtraction under section 290.01, subdivision 19d, clause (4).

(9) The tax preference for tax exempt interest under section 57(a)(5) of the Internal Revenue Code does not apply.

(10) The tax preference for charitable contributions of appreciated property under section 57(a)(6) of the Internal Revenue Code does not apply.

(11) For purposes of calculating the tax preference for accelerated depreciation or amortization on certain property placed in service before January 1, 1987, under section 57(a)(7) of the Internal Revenue Code, the deduction allowable for the taxable year is the deduction allowed under section 290.01, subdivision 19e.

For taxable years beginning after December 31, 2000, the amount of any remaining modification made under section 290.01, subdivision 19e, not previously deducted is a depreciation or amortization allowance in the first taxable year after December 31, 2004.

(12) For purposes of calculating the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable income as defined in this subdivision, determined without regard to the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code.

(13) For purposes of determining the amount of adjusted current earnings under section 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4) of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up subtracted as provided in section 290.01, subdivision 19d, clause (1), or (ii) the amount of refunds of income, excise, or franchise taxes subtracted as provided in section 290.01, subdivision 19d, clause (9), ~~or (iii) the amount of royalties, fees or other like income subtracted as provided in section 290.01, subdivision 19d, clause (10).~~

(14) Alternative minimum taxable income excludes the income from operating in a job opportunity building zone as provided under section 469.317.

(15) Alternative minimum taxable income excludes the income from operating in a biotechnology and health sciences industry zone as provided under section 469.337.

(16) Alternative minimum taxable income excludes the income from operating in an international economic development zone as provided under section 469.326.

Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.

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

Sec. 48. Minnesota Statutes 2010, section 290.095, subdivision 2, is amended to read:

Subd. 2. **Defined and limited.** (a) The term "net operating loss" as used in this section shall mean a net operating loss as defined in section 172(c) of the Internal Revenue Code, with the modifications specified in subdivision 4. The deductions provided in section 290.21 ~~and the modification provided~~

~~in section 290.01, subdivision 19d, clause (10), cannot be used in the determination of a net operating loss.~~

(b) The term "net operating loss deduction" as used in this section means the aggregate of the net operating loss carryovers to the taxable year, computed in accordance with subdivision 3. The provisions of section 172(b) of the Internal Revenue Code relating to the carryback of net operating losses, do not apply.

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

Sec. 49. Minnesota Statutes 2010, section 290.17, subdivision 4, is amended to read:

Subd. 4. **Unitary business principle.** (a) If a trade or business conducted wholly within this state or partly within and partly without this state is part of a unitary business, the entire income of the unitary business is subject to apportionment pursuant to section 290.191. Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary business is considered to be derived from any particular source and none may be allocated to a particular place except as provided by the applicable apportionment formula. The provisions of this subdivision do not apply to business income subject to subdivision 5, income of an insurance company, or income of an investment company determined under section 290.36.

(b) The term "unitary business" means business activities or operations which result in a flow of value between them. The term may be applied within a single legal entity or between multiple entities and without regard to whether each entity is a sole proprietorship, a corporation, a partnership or a trust.

(c) Unity is presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction, but the absence of these centralized activities will not necessarily evidence a nonunitary business. Unity is also presumed when business activities or operations are of mutual benefit, dependent upon or contributory to one another, either individually or as a group.

(d) Where a business operation conducted in Minnesota is owned by a business entity that carries on business activity outside the state different in kind from that conducted within this state, and the other business is conducted entirely outside the state, it is presumed that the two business operations are unitary in nature, interrelated, connected, and interdependent unless it can be shown to the contrary.

(e) Unity of ownership is not deemed to exist when a corporation is involved unless that corporation is a member of a group of two or more business entities and more than 50 percent of the voting stock of each member of the group is directly or indirectly owned by a common owner or by common owners, either corporate or noncorporate, or by one or more of the member corporations of the group. For this purpose, the term "voting stock" shall include membership interests of mutual insurance holding companies formed under section 66A.40.

(f) The net income and apportionment factors under section 290.191 or 290.20 of foreign corporations and other foreign entities which are part of a unitary business shall not be included in the net income or the apportionment factors of the unitary business, except that foreign corporations or other foreign entities that are included on a federal income tax return must be included on the

combined report. Income of a foreign partnership or other foreign entity treated as a partnership included in federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in section 290.01, subdivision 19, and the proportionate amount of apportionment factors, must be included in the combined report. A foreign corporation or other foreign entity which is not included on a combined report and which is required to file a return under this chapter shall file on a separate return basis. The net income and apportionment factors under section 290.191 or 290.20 of foreign operating corporations shall not be included in the net income or the apportionment factors of the unitary business except as provided in paragraph (g).

~~(g) The adjusted net income of a foreign operating corporation shall be deemed to be paid as a dividend on the last day of its taxable year to each shareholder thereof, in proportion to each shareholder's ownership, with which such corporation is engaged in a unitary business. Such deemed dividend shall be treated as a dividend under section 290.21, subdivision 4.~~

~~Dividends actually paid by a foreign operating corporation to a corporate shareholder which is a member of the same unitary business as the foreign operating corporation shall be eliminated from the net income of the unitary business in preparing a combined report for the unitary business. The adjusted net income of a foreign operating corporation shall be its net income adjusted as follows:~~

~~(1) any taxes paid or accrued to a foreign country, the commonwealth of Puerto Rico, or a United States possession or political subdivision of any of the foregoing shall be a deduction; and~~

~~(2) the subtraction from federal taxable income for payments received from foreign corporations or foreign operating corporations under section 290.01, subdivision 19d, clause (10), shall not be allowed.~~

~~If a foreign operating corporation incurs a net loss, neither income nor deduction from that corporation shall be included in determining the net income of the unitary business.~~

~~(h)(g) For purposes of determining the net income of a unitary business and the factors to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there must be included only the income and apportionment factors of domestic corporations or other domestic entities other than foreign operating corporations that are determined to be part of the unitary business pursuant to this subdivision, notwithstanding that foreign corporations or other foreign entities might be included in the unitary business, except that foreign corporations or other foreign entities that are included on a federal income tax return must be included on the combined report. Income of a foreign partnership or other foreign entity treated as a partnership included in federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in section 290.01, subdivision 19, and the proportionate amount of apportionment factors, must be included in the combined report.~~

~~(i) Deductions for expenses, interest, or taxes otherwise allowable under this chapter that are connected with or allocable against dividends, deemed dividends described in paragraph (g), or royalties, fees, or other like income described in section 290.01, subdivision 19d, clause (10), shall not be disallowed.~~

~~(j) (h) Each corporation or other entity, except a sole proprietorship, that is part of a unitary business must file combined reports as the commissioner determines. On the reports, all intercompany transactions between entities included pursuant to paragraph (h) (g) must be~~

eliminated and the entire net income of the unitary business determined in accordance with this subdivision is apportioned among the entities by using each entity's Minnesota factors for apportionment purposes in the numerators of the apportionment formula and the total factors for apportionment purposes of all entities included pursuant to paragraph ~~(h)~~ (g) in the denominators of the apportionment formula. All sales of the unitary business made within Minnesota pursuant to section 290.191 or 290.20 must be included on the separate combined report of a corporation that is a member of the unitary business and is subject to the jurisdiction of this state to impose tax under this chapter.

~~(k)~~ (i) If a corporation has been divested from a unitary business and is included in a combined report for a fractional part of the common accounting period of the combined report:

(1) its income includable in the combined report is its income incurred for that part of the year determined by proration or separate accounting; and

(2) its sales, property, and payroll included in the apportionment formula must be prorated or accounted for separately.

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

Sec. 50. Minnesota Statutes 2010, section 290.191, subdivision 5, is amended to read:

Subd. 5. **Determination of sales factor.** For purposes of this section, the following rules apply in determining the sales factor.

(a) The sales factor includes all sales, gross earnings, or receipts received in the ordinary course of the business, except that the following types of income are not included in the sales factor:

(1) interest;

(2) dividends;

(3) sales of capital assets as defined in section 1221 of the Internal Revenue Code;

(4) sales of property used in the trade or business, except sales of leased property of a type which is regularly sold as well as leased; and

(5) sales of debt instruments as defined in section 1275(a)(1) of the Internal Revenue Code or sales of stock; ~~and~~

~~(6) royalties, fees, or other like income of a type which qualify for a subtraction from federal taxable income under section 290.01, subdivision 19d(10).~~

(b) Sales of tangible personal property are made within this state if the property is received by a purchaser at a point within this state, and the taxpayer is taxable in this state, regardless of the f.o.b. point, other conditions of the sale, or the ultimate destination of the property.

(c) Tangible personal property delivered to a common or contract carrier or foreign vessel for delivery to a purchaser in another state or nation is a sale in that state or nation, regardless of f.o.b. point or other conditions of the sale.

(d) Notwithstanding paragraphs (b) and (c), when intoxicating liquor, wine, fermented malt

beverages, cigarettes, or tobacco products are sold to a purchaser who is licensed by a state or political subdivision to resell this property only within the state of ultimate destination, the sale is made in that state.

(e) Sales made by or through a corporation that is qualified as a domestic international sales corporation under section 992 of the Internal Revenue Code are not considered to have been made within this state.

(f) Sales, rents, royalties, and other income in connection with real property is attributed to the state in which the property is located.

(g) Receipts from the lease or rental of tangible personal property, including finance leases and true leases, must be attributed to this state if the property is located in this state and to other states if the property is not located in this state. Receipts from the lease or rental of moving property including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment are included in the numerator of the receipts factor to the extent that the property is used in this state. The extent of the use of moving property is determined as follows:

(1) A motor vehicle is used wholly in the state in which it is registered.

(2) The extent that rolling stock is used in this state is determined by multiplying the receipts from the lease or rental of the rolling stock by a fraction, the numerator of which is the miles traveled within this state by the leased or rented rolling stock and the denominator of which is the total miles traveled by the leased or rented rolling stock.

(3) The extent that an aircraft is used in this state is determined by multiplying the receipts from the lease or rental of the aircraft by a fraction, the numerator of which is the number of landings of the aircraft in this state and the denominator of which is the total number of landings of the aircraft.

(4) The extent that a vessel, mobile equipment, or other mobile property is used in the state is determined by multiplying the receipts from the lease or rental of the property by a fraction, the numerator of which is the number of days during the taxable year the property was in this state and the denominator of which is the total days in the taxable year.

(h) Royalties and other income not described in paragraph (a), clause (6), received for the use of or for the privilege of using intangible property, including patents, know-how, formulas, designs, processes, patterns, copyrights, trade names, service names, franchises, licenses, contracts, customer lists, or similar items, must be attributed to the state in which the property is used by the purchaser. If the property is used in more than one state, the royalties or other income must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the royalties or other income must be excluded from both the numerator and the denominator. Intangible property is used in this state if the purchaser uses the intangible property or the rights therein in the regular course of its business operations in this state, regardless of the location of the purchaser's customers.

(i) Sales of intangible property are made within the state in which the property is used by the purchaser. If the property is used in more than one state, the sales must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the sale must be excluded from both the numerator and the denominator of the sales factor. Intangible property is used in this state if the purchaser used the intangible property in the



regular course of its business operations in this state.

(j) Receipts from the performance of services must be attributed to the state where the services are received. For the purposes of this section, receipts from the performance of services provided to a corporation, partnership, or trust may only be attributed to a state where it has a fixed place of doing business. If the state where the services are received is not readily determinable or is a state where the corporation, partnership, or trust receiving the service does not have a fixed place of doing business, the services shall be deemed to be received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the services shall be deemed to be received at the office of the customer to which the services are billed.

(k) For the purposes of this subdivision and subdivision 6, paragraph (l), receipts from management, distribution, or administrative services performed by a corporation or trust for a fund of a corporation or trust regulated under United States Code, title 15, sections 80a-1 through 80a-64, must be attributed to the state where the shareholder of the fund resides. Under this paragraph, receipts for services attributed to shareholders are determined on the basis of the ratio of: (1) the average of the outstanding shares in the fund owned by shareholders residing within Minnesota at the beginning and end of each year; and (2) the average of the total number of outstanding shares in the fund at the beginning and end of each year. Residence of the shareholder, in the case of an individual, is determined by the mailing address furnished by the shareholder to the fund. Residence of the shareholder, when the shares are held by an insurance company as a depositor for the insurance company policyholders, is the mailing address of the policyholders. In the case of an insurance company holding the shares as a depositor for the insurance company policyholders, if the mailing address of the policyholders cannot be determined by the taxpayer, the receipts must be excluded from both the numerator and denominator. Residence of other shareholders is the mailing address of the shareholder.

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

Page 45, after line 33, insert:

"Sec. 56. **REPEALER.**

Minnesota Statutes 2010, sections 290.01, subdivision 6b; and 290.0921, subdivision 7, are repealed.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Ortman questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Bakk 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 36 and nays 28, as follows:

Those who voted in the affirmative were:

Benson	Gazelka	Jungbauer	Newman	Senjem
Brown	Gerlach	Kruse	Nienow	Thompson
Carlson	Gimse	Lillie	Olson	Vandever
Chamberlain	Hall	Limmer	Ortman	Wolf
Dahms	Hann	Magnus	Parry	
Daley	Hoffman	Michel	Pederson	
DeKruif	Howe	Miller	Robling	
Fischbach	Ingebrigtsen	Nelson	Rosen	

Those who voted in the negative were:

Bakk	Harrington	Lourey	Rest	Stumpf
Berglin	Higgins	Marty	Saxhaug	Tomassoni
Bonoff	Kelash	Metzen	Sheran	Torres Ray
Cohen	Kubly	Pappas	Sieben	Wiger
Dibble	Langseth	Pogemiller	Skoe	
Goodwin	Latz	Reinert	Sparks	

So the decision of the President was sustained.

Senator Michel moved that S.F. No. 1047 be laid on the table. The motion prevailed.

### RECESS

Senator Michel moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### CALL OF THE SENATE

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Senator Koch moved that S.F. No. 1047 be taken from the table. The motion prevailed.

**S.F. No. 1047:** A bill for an act relating to state government financing; establishing the Sunset Advisory Commission; prohibiting legislative liaison positions in state agencies and departments; eliminating assistant commissioner positions and reducing deputy commissioner positions; changing provisions of performance data required in the budget proposal; requiring specific funding information for forecasted programs; implementing zero-based budgeting principles; implementing federal offset program for collection of debts owed to state agencies; providing a state employee salary freeze; providing an HSA-eligible high-deductible health plan for state employees; requiring a 15 percent reduction in the state workforce; requiring a verification audit for dependent eligibility for state employee health insurance; requiring a request for proposals for recommendations on state building efficiency, state vehicle management, tax fraud prevention, and strategic sourcing; requiring reports; appropriating money; amending Minnesota Statutes 2010, sections 15.057; 15.06, subdivision 8; 16A.10, subdivisions 1a, 1b, 1c; 16A.103, subdivision 1a; 16A.11, subdivision 3; 16B.03; 43A.08, subdivision 1; 43A.23, 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; 270C.41; Laws 2010, chapter 215, article 6, section 4; proposing coding for new law in Minnesota Statutes, chapters 16A; 16D; 43A; proposing coding for new law as Minnesota Statutes, chapter 3D; repealing Minnesota Statutes 2010, section 197.585, subdivision 5.

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 36 and nays 29, as follows:

Those who voted in the affirmative were:

Benson	Gazelka	Jungbauer	Newman	Senjem
Brown	Gerlach	Koch	Nienow	Thompson
Carlson	Gimse	Kruse	Olson	Vandever
Chamberlain	Hall	Lillie	Ortman	Wolf
Dahms	Hann	Limmer	Parry	
Daley	Hoffman	Magnus	Pederson	
DeKruif	Howe	Michel	Robling	
Fischbach	Ingebrigtsen	Nelson	Rosen	

Those who voted in the negative were:

Bakk	Harrington	Lourey	Reinert	Sparks
Berglin	Higgins	Marty	Rest	Stumpf
Bonoff	Kelash	Metzen	Saxhaug	Tomassoni
Cohen	Kubly	Miller	Sheran	Torres Ray
Dibble	Langseth	Pappas	Sieben	Wiger
Goodwin	Latz	Pogemiller	Skoe	

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

### SPECIAL ORDER

**S.F. No. 760:** A bill for an act relating to state government; establishing the health and human services budget; modifying provisions related to continuing care, chemical and mental health, children and family services, human services licensing, health care programs, the Department of Health, and health licensing boards; appropriating money to the departments of health and human services and other health-related boards and councils; making forecast adjustments; requiring reports; imposing fees; imposing criminal penalties; amending Minnesota Statutes 2010, sections 8.31, subdivisions 1, 3a; 62E.14, by adding a subdivision; 62J.04, subdivision 3; 62J.17, subdivision 4a; 62J.692, subdivisions 4, 7; 103I.005, subdivisions 2, 8, 12, by adding a subdivision; 103I.101, subdivisions 2, 5; 103I.105; 103I.111, subdivision 8; 103I.205, subdivision 4; 103I.208, subdivision 2; 103I.501; 103I.531, subdivision 5; 103I.535, subdivision 6; 103I.641; 103I.711, subdivision 1; 103I.715, subdivision 2; 119B.011, subdivision 13; 119B.09, subdivision 10, by adding subdivisions; 119B.125, by adding a subdivision; 119B.13, subdivisions 1, 1a, 7; 144.125, subdivisions 1, 3; 144.128; 144.396, subdivisions 5, 6; 145.925, subdivision 1; 145.928, subdivisions 7, 8; 148.108, by adding a subdivision; 148.191, subdivision 2; 148.212, subdivision 1; 148.231; 151.07; 151.101; 151.102, by adding a subdivision; 151.12; 151.13, subdivision 1; 151.19; 151.25; 151.47, subdivision 1; 151.48; 152.12, subdivision 3; 245A.10, subdivisions 1, 3, 4, by adding subdivisions; 245A.11, subdivision 2b; 245A.143, subdivision 1; 245C.10, by adding a subdivision; 254B.03, subdivision 4; 254B.04, by adding a subdivision; 254B.06, subdivision 2; 256.01, subdivisions 14, 24, 29, by adding a subdivision; 256.969, subdivision

2b; 256B.04, subdivision 18; 256B.056, subdivisions 1a, 3; 256B.057, subdivision 9; 256B.06, subdivision 4; 256B.0625, subdivisions 8, 8a, 8b, 8c, 12, 13e, 17, 17a, 18, 19a, 25, 31a, by adding subdivisions; 256B.0651, subdivision 1; 256B.0652, subdivision 6; 256B.0653, subdivisions 2, 6; 256B.0913, subdivision 4; 256B.0915, subdivisions 3a, 3b, 3e, 3h, 6, 10; 256B.14, by adding a subdivision; 256B.431, subdivisions 2r, 32, 42, by adding a subdivision; 256B.437, subdivision 6; 256B.441, subdivisions 50a, 59; 256B.48, subdivision 1; 256B.49, subdivision 16a; 256B.69, subdivisions 4, 5a, by adding a subdivision; 256B.76, subdivision 4; 256D.02, subdivision 12a; 256D.031, subdivisions 6, 7, 9; 256D.44, subdivision 5; 256D.47; 256D.49, subdivision 3; 256E.30, subdivision 2; 256E.35, subdivisions 5, 6; 256J.12, subdivisions 1a, 2; 256J.37, by adding a subdivision; 256J.38, subdivision 1; 256L.04, subdivision 7; 256L.05, by adding a subdivision; 256L.11, subdivision 7; 256L.12, subdivision 9; 297F.10, subdivision 1; 393.07, subdivision 10; 402A.10, subdivisions 4, 5; 402A.15; 518A.51; Laws 2008, chapter 363, article 18, section 3, subdivision 5; Laws 2010, First Special Session chapter 1, article 15, section 3, subdivision 6; article 16, section 47; article 25, section 3, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 1; 145; 148; 151; 214; 256; 256B; 256L; proposing coding for new law as Minnesota Statutes, chapter 256N; repealing Minnesota Statutes 2010, sections 62J.17, subdivisions 1, 3, 5a, 6a, 8; 62J.321, subdivision 5a; 62J.381; 62J.41, subdivisions 1, 2; 103I.005, subdivision 20; 144.1464; 144.147; 144.1487; 144.1488, subdivisions 1, 3, 4; 144.1489; 144.1490; 144.1491; 144.1499; 144.1501; 144.6062; 145.925; 145A.14, subdivisions 1, 2a; 245A.10, subdivision 5; 256.979, subdivisions 5, 6, 7, 10; 256.9791; 256B.055, subdivision 15; 256B.0625, subdivision 8e; 256B.0653, subdivision 5; 256B.0756; 256D.01, subdivisions 1, 1a, 1b, 1e, 2; 256D.03, subdivisions 1, 2, 2a; 256D.031, subdivisions 5, 8; 256D.05, subdivisions 1, 2, 4, 5, 6, 7, 8; 256D.0513; 256D.053, subdivisions 1, 2, 3; 256D.06, subdivisions 1, 1b, 2, 5, 7, 8; 256D.09, subdivisions 1, 2, 2a, 2b, 5, 6; 256D.10; 256D.13; 256D.15; 256D.16; 256D.35, subdivision 8b; 256D.46; Laws 2010, First Special Session chapter 1, article 16, sections 6; 7; Minnesota Rules, parts 3400.0130, subpart 8; 4651.0100, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 16a, 18, 19, 20, 20a, 21, 22, 23; 4651.0110, subparts 2, 2a, 3, 4, 5; 4651.0120; 4651.0130; 4651.0140; 4651.0150; 9500.1243, subpart 3.

Senator Hann moved to amend S.F. No. 760 as follows:

Page 10, line 14, delete "level one" and insert "Level I"

Page 70, line 22, after "under" insert "section 256B.695, subdivision 6, or"

Page 74, line 20, strike everything after "condition"

Page 74, line 21, strike "routine prenatal care" and delete the new language

Page 74, after line 24, insert:

"(h) Notwithstanding paragraph (g), services that are necessary for the treatment of an emergency medical condition are limited to the following:

(1) services delivered in an emergency room that are directly related to the treatment of an emergency medical condition;

(2) services delivered in an inpatient hospital setting following admission from an emergency room or clinic for an acute emergency condition; and

(3) follow-up services that are directly related to the original service provided to treat the

emergency medical condition and are covered by the global payment made to the provider.

Services for the treatment of emergency medical conditions do not include:

(1) services delivered in an emergency room or inpatient setting to treat a nonemergency condition;

(2) organ transplants and related care;

(3) services for routine prenatal care;

(4) continuing care, including long-term care, nursing facility services, home health care, adult day care, day training, or supportive living services;

(5) elective surgery;

(6) outpatient prescription drugs, unless the drugs are administered or dispensed as part of an emergency room visit;

(7) preventative health care and family planning services;

(8) dialysis;

(9) chemotherapy or therapeutic radiation services;

(10) rehabilitation services;

(11) physical, occupational, or speech therapy;

(12) transportation services;

(13) case management;

(14) prosthetics, orthotics, durable medical equipment, or medical supplies;

(15) dental services;

(16) hospice care;

(17) audiology services and hearing aids;

(18) podiatry services;

(19) chiropractic services;

(20) immunizations;

(21) vision services and eyeglasses;

(22) waiver services;

(23) individualized education programs; or

(24) chemical dependency treatment."

Page 74, line 25, reinstate the stricken "(i)" and delete "(h)"

Page 106, line 6, delete "or upon federal approval, whichever is later,"

Page 106, line 31, delete "150" and insert "110"

Page 114, delete section 47

Page 118, line 7, before the period, insert ", and section 256L.031"

Page 119, after line 8, insert:

"Sec. 52. **CONTINGENT REINSTATEMENT OF GAMC.**

Notwithstanding their contingent repeal in Laws 2010, First Special Session chapter 1, article 16, section 47, the following statutes are revived and have the force of law:

(1) Minnesota Statutes 2010, section 256D.03, subdivisions 3, 3a, 5, 6, 7, and 8; and

(2) Laws 2010, chapter 200, article 1, section 12, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 18, and 19.

**EFFECTIVE DATE.** This section is effective January 1, 2013, if by that date the federal government has not approved the global medical assistance waiver submitted under Minnesota Statutes, section 256B.841.

Page 164, line 21, after "commissioner" insert "of management and budget"

Page 169, delete lines 19 to 29

Page 172, line 22, delete "10,892,000" and insert "9,496,000" and delete "10,894,000" and insert "9,610,000"

Page 173, line 3, delete "15,882,000" and insert "17,278,000" and delete "16,288,000" and insert "17,572,000"

Page 174, after line 11, insert:

**Local Planning Grants for Creating Alternatives to Congregate Living for Individuals with Lower Needs.** The commissioner shall make available a total of \$250,000 per year in local planning grants, beginning July 1, 2011, to assist lead agencies and provider organizations in developing alternatives to congregate living within the available level of resources for the home and community-based services waivers for persons with disabilities.

Page 179, line 17, delete "\$1,011,000 in fiscal years" and insert "\$911,000 in fiscal year"

Page 179, line 18, after "and" insert "\$1,011,000 in fiscal year"

Correct the subdivision and section totals and the appropriations by fund accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Berglin moved that S.F. No. 760 be re-referred to the Committee on Health and Human Services.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 27 and nays 36, as follows:

Those who voted in the affirmative were:

Bakk	Harrington	Lourey	Saxhaug	Tomassoni
Berglin	Higgins	Marty	Sheran	Torres Ray
Bonoff	Kelash	Metzen	Sieben	Wiger
Cohen	Kubly	Pappas	Skoe	
Dibble	Langseth	Reinert	Sparks	
Goodwin	Latz	Rest	Stumpf	

Those who voted in the negative were:

Benson	Gerlach	Koch	Newman	Senjem
Brown	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vandever
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	
Gazelka	Jungbauer	Nelson	Rosen	

The motion did not prevail.

Senator Berglin moved to amend S.F. No. 760 as follows:

Page 108, delete section 44

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Pursuant to Rule 7.4, Senator Nienow questioned whether the Berglin amendment was in order. The President ruled the amendment was not in order.

Senator Berglin 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 36 and nays 29, as follows:

Those who voted in the affirmative were:

Benson	Fischbach	Howe	Magnus	Ortman
Brown	Gazelka	Ingebrigtsen	Michel	Parry
Carlson	Gerlach	Jungbauer	Miller	Pederson
Chamberlain	Gimse	Koch	Nelson	Rosen
Dahms	Hall	Kruse	Newman	Senjem
Daley	Hann	Lillie	Nienow	Thompson
DeKruif	Hoffman	Limmer	Olson	Vandever

Wolf

Those who voted in the negative were:

Bakk	Harrington	Lourey	Rest	Sparks
Berglin	Higgins	Marty	Robling	Stumpf
Bonoff	Kelash	Metzen	Saxhaug	Tomassoni
Cohen	Kubly	Pappas	Sheran	Torres Ray
Dibble	Langseth	Pogemiller	Sieben	Wiger
Goodwin	Latz	Reinert	Skoe	

So the decision of the President was sustained.

Senator Limmer moved to amend S.F. No. 760 as follows:

Page 118, line 34, after "Services" insert "and data practices"

Page 118, line 35, before the period, insert "and address data access and privacy issues involved in implementation of the system"

The motion prevailed. So the amendment was adopted.

Senator Berglin moved to amend S.F. No. 760 as follows:

Page 4, after line 3, insert:

"Sec. 3. Minnesota Statutes 2010, section 256.9657, subdivision 2, is amended to read:

Subd. 2. **Hospital surcharge.** (a) Effective October 1, 1992, each Minnesota hospital except facilities of the federal Indian Health Service and regional treatment centers shall pay to the medical assistance account a surcharge equal to 1.4 percent of net patient revenues excluding net Medicare revenues reported by that provider to the health care cost information system according to the schedule in subdivision 4.

(b) Effective July 1, 1994, the surcharge under paragraph (a) is increased to 1.56 percent.

(c) Effective July 1, 2011, the surcharge under paragraph (b) is increased to 4.45 percent.

(d) Notwithstanding the Medicare cost finding and allowable cost principles, the hospital surcharge is not an allowable cost for purposes of rate setting under sections 256.9685 to 256.9695.

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

Sec. 4. Minnesota Statutes 2010, section 256.969, subdivision 3a, is amended to read:

Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical assistance program must not be submitted until the recipient is discharged. However, the commissioner shall establish monthly interim payments for inpatient hospitals that have individual patient lengths of stay over 30 days regardless of diagnostic category. Except as provided in section 256.9693, medical assistance reimbursement for treatment of mental illness shall be reimbursed based on diagnostic classifications. Individual hospital payments established under this section and sections 256.9685, 256.9686, and 256.9695, in addition to third-party and recipient liability, for discharges occurring during the rate year shall not exceed, in aggregate, the charges for the medical assistance covered inpatient services paid for the same period of time to the hospital. This payment limitation shall be calculated separately for medical assistance and general assistance medical care services. The



limitation on general assistance medical care shall be effective for admissions occurring on or after July 1, 1991. Services that have rates established under subdivision 11 or 12, must be limited separately from other services. After consulting with the affected hospitals, the commissioner may consider related hospitals one entity and may merge the payment rates while maintaining separate provider numbers. The operating and property base rates per admission or per day shall be derived from the best Medicare and claims data available when rates are established. The commissioner shall determine the best Medicare and claims data, taking into consideration variables of recency of the data, audit disposition, settlement status, and the ability to set rates in a timely manner. The commissioner shall notify hospitals of payment rates by December 1 of the year preceding the rate year. The rate setting data must reflect the admissions data used to establish relative values. Base year changes from 1981 to the base year established for the rate year beginning January 1, 1991, and for subsequent rate years, shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase under subdivision 1. The commissioner may adjust base year cost, relative value, and case mix index data to exclude the costs of services that have been discontinued by the October 1 of the year preceding the rate year or that are paid separately from inpatient services. Inpatient stays that encompass portions of two or more rate years shall have payments established based on payment rates in effect at the time of admission unless the date of admission preceded the rate year in effect by six months or more. In this case, operating payment rates for services rendered during the rate year in effect and established based on the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

(b) For fee-for-service admissions occurring on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for inpatient services is reduced by .5 percent from the current statutory rates.

(c) In addition to the reduction in paragraph (b), the total payment for fee-for-service admissions occurring on or after July 1, 2003, made to hospitals for inpatient services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432, and facilities defined under subdivision 16 are excluded from this paragraph.

(d) In addition to the reduction in paragraphs (b) and (c), the total payment for fee-for-service admissions occurring on or after August 1, 2005, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 6.0 percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Notwithstanding section 256.9686, subdivision 7, for purposes of this paragraph, medical assistance does not include general assistance medical care. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2006, to reflect this reduction.

(e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 3.46 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2009, through June 30, 2009, to reflect this reduction.

(f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for

fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.9 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2009, through June 30, 2011, to reflect this reduction.

(g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.79 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2011, to reflect this reduction.

(h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total payment for fee-for-service admissions occurring on or after July 1, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced one percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after October 1, 2009, to reflect this reduction.

(i) In addition to the reductions in paragraphs (b), (c), (d), (g), and (h), the total payment for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.96 percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2011, to reflect this reduction.

(j) In order to offset the ratable reductions provided for in this subdivision, the total payment rate for medical assistance fee-for-service admissions occurring on or after July 1, 2011, to September 30, 2012, made to Minnesota hospitals for inpatient services before third-party liability and spenddown, shall be increased by 40 percent from the current statutory rates. Effective October 1, 2012, the rate increase under this paragraph shall be reduced to 30 percent. For purposes of this paragraph, medical assistance does not include general assistance medical care. The commissioner shall not adjust rates paid to a prepaid health plan under contract with the commissioner to reflect payments provided in this paragraph. The commissioner may utilize a settlement process to adjust rates in excess of the Medicare upper limits on payments.

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

Sec. 5. Minnesota Statutes 2010, section 256.969, subdivision 21, is amended to read:

Subd. 21. **Mental health or chemical dependency admissions; rates.** (a) Admissions under the general assistance medical care program occurring on or after July 1, 1990, and admissions under medical assistance, excluding general assistance medical care, occurring on or after July 1, 1990, and on or before September 30, 1992, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of subdivision 14, except the per day rate shall be multiplied by a factor of 2, provided that the total of the per day rates shall not exceed the per admission rate. This methodology shall also apply when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary. Stays which

are medically necessary for inpatient hospital services and covered by medical assistance shall not be billable to any other governmental entity. Medical necessity shall be determined under criteria established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

(b) In order to ensure adequate access for the provision of mental health services and to encourage broader delivery of these services outside the nonstate governmental hospital setting, payment rates for medical assistance admissions occurring on or after July 1, 2011, at a Minnesota private, not-for-profit hospital above the 75th percentile of all Minnesota private, nonprofit hospitals for diagnosis-related groups 424 to 432 and 521 to 523 admissions paid by medical assistance for admissions occurring in calendar year 2007, shall be increased for these diagnosis-related groups at a percentage calculated to cost an average of not more than \$10,000,000 each fiscal year of the biennium ending June 30, 2013, including state and federal shares. For purposes of this paragraph, medical assistance does not include general assistance medical care. The commissioner shall not adjust rates paid to a prepaid health plan under contract with the commissioner to reflect payments provided in this paragraph. The commissioner may utilize a settlement process to adjust rates in excess of the Medicare upper limits on payments.

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

Sec. 6. Minnesota Statutes 2010, section 256.969, subdivision 26, is amended to read:

Subd. 26. **Greater Minnesota payment adjustment after June 30, 2001.** (a) For admissions occurring after June 30, 2001, the commissioner shall pay fee-for-service inpatient admissions for the diagnosis-related groups specified in paragraph (b) at hospitals located outside of the seven-county metropolitan area at the higher of:

(1) the hospital's current payment rate for the diagnostic category to which the diagnosis-related group belongs, exclusive of disproportionate population adjustments received under subdivision 9 and hospital payment adjustments received under subdivision 23; or

(2) 90 percent of the average payment rate for that diagnostic category for hospitals located within the seven-county metropolitan area, exclusive of disproportionate population adjustments received under subdivision 9 and hospital payment adjustments received under subdivisions 20 and 23.

(b) The payment increases provided in paragraph (a) apply to the following diagnosis-related groups, as they fall within the diagnostic categories:

- (1) 370 cesarean section with complicating diagnosis;
- (2) 371 cesarean section without complicating diagnosis;
- (3) 372 vaginal delivery with complicating diagnosis;
- (4) 373 vaginal delivery without complicating diagnosis;
- (5) 386 extreme immaturity and respiratory distress syndrome, neonate;
- (6) 388 full-term neonates with other problems;
- (7) 390 prematurity without major problems;

- (8) 391 normal newborn;
- (9) 385 neonate, died or transferred to another acute care facility;
- (10) 425 acute adjustment reaction and psychosocial dysfunction;
- (11) 430 psychoses;
- (12) 431 childhood mental disorders; and
- (13) 164-167 appendectomy.

(c) For medical assistance admissions occurring on or after July 1, 2011, to September 30, 2013, the payment rate under paragraph (a), clause (2), shall be increased to 100 percent from 90 percent. For purposes of this paragraph, medical assistance does not include general assistance medical care. The commissioner shall not adjust rates paid to a prepaid health plan under contract with the commissioner to reflect payments provided in this paragraph. The commissioner may utilize a settlement process to adjust rates in excess of the Medicare upper limits on payments.

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

Sec. 7. Minnesota Statutes 2010, section 256.969, is amended by adding a subdivision to read:

Subd. 31. **Hospital payment adjustment after June 30, 2011.** (a) For medical assistance admissions occurring on or after July 1, 2011, the commissioner shall increase rates at Minnesota private, not-for-profit hospitals as follows:

(1) for a hospital with total admissions reimbursed by government payers equal to or greater than 50 percent, payment rates for inpatient hospital services shall be increased for each admission by \$250 multiplied by a percentage determined by the commissioner under clause (4);

(2) for a hospital with total admissions reimbursed by government payers equal to or greater than 40 percent but less than 50 percent, payment rates for inpatient hospital services shall be increased for each admission by \$250 multiplied by a percentage determined by the commissioner under clause (4);

(3) for a hospital with total admissions reimbursed by government payers of less than 40 percent, payment rates for inpatient hospital services shall be increased for each admission by \$250 multiplied by a percentage determined by the commissioner under clause (4); and

(4) the commissioner shall develop a percentage increase for clauses (1) to (3) that satisfies the following criteria:

(i) total spending, including state and federal shares under this paragraph, shall not exceed an average of \$23,000,000 in each year of the biennium ending June 30, 2013; and

(ii) the percentage determined by the commissioner in clause (1) shall be 125 percent of the percentage determined in clause (2) and 167 percent of the percentage determined in clause (3).

For purposes of this paragraph, "government payers" means Medicare, medical assistance, MinnesotaCare, and general assistance medical care.

(b) For medical assistance admissions occurring on or after July 1, 2011, to March 31, 2012,

the commissioner shall increase rates for inpatient hospital services at Minnesota hospitals by a dollar amount for each admission calculated to cost an average of \$23,000,000 in each year of the biennium ending June 30, 2013, including state and federal shares.

(c) For purposes of this subdivision, medical assistance does not include general assistance medical care. The commissioner shall not adjust rates paid to a prepaid health plan under contract with the commissioner to reflect payments provided in this subdivision. The commissioner may utilize a settlement process to adjust rates in excess of the Medicare upper limits on payments.

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

Page 70, delete section 5

Pages 80 and 81, delete sections 18 to 20

Page 121, delete section 3

Page 137, delete section 29

Page 138, line 6, delete "144.1501; 144.6062;"

Page 164, delete lines 20 to 23

Page 174, line 14, delete "69,143,000" and insert "75,912,000" and delete "69,143,000" and insert "75,912,000"

Correct the subdivision and section totals and the appropriations by fund accordingly

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 28 and nays 37, as follows:

Those who voted in the affirmative were:

Bakk	Harrington	Lourey	Rest	Stumpf
Berglin	Higgins	Marty	Saxhaug	Tomassoni
Bonoff	Kelash	Metzen	Sheran	Torres Ray
Cohen	Kubly	Pappas	Sieben	Wiger
Dibble	Langseth	Pogemiller	Skoe	
Goodwin	Latz	Reinert	Sparks	

Those who voted in the negative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vandever
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

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

Senator Berglin moved to amend S.F. No. 760 as follows:

Page 4, after line 3, insert:

"Sec. 3. Minnesota Statutes 2010, section 256.9657, subdivision 1, is amended to read:

Subdivision 1. **Nursing home license surcharge.** (a) Effective July 1, 1993, each non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4. The surcharge shall be calculated as \$620 per licensed bed. If the number of licensed beds ~~is reduced~~ changes, the surcharge shall be based on the number of remaining licensed beds the second month following the receipt of timely notice by the commissioner of human services that the number of beds have been delicensed ~~has been changed~~. The nursing home must notify the commissioner of health in writing when the number of beds are delicensed is changed. The commissioner of health must notify the commissioner of human services within ten working days after receiving written notification. If the notification is received by the commissioner of human services by the ~~15th~~ third day of the month, the invoice for the second following month must be ~~reduced~~ changed to recognize the delicensing change in the number of beds. ~~Beds on layaway status continue to be subject to the surcharge.~~ The commissioner of human services must acknowledge a medical care surcharge appeal within 30 days of receipt of the written appeal from the provider.

(b) Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to \$625.

(c) Effective August 15, 2002, the surcharge under paragraph (b) shall be increased to \$990.

(d) Effective July 15, 2003, the surcharge under paragraph (c) shall be increased to \$2,815.

(e) Effective July 15, 2011, the surcharge under paragraph (d) shall be increased to \$3,450 and effective October 15, 2011, to \$3,800.

~~(e)~~ (f) The commissioner may reduce, and may subsequently restore, the surcharge under paragraph ~~(d)~~ (e) based on the commissioner's determination of a permissible surcharge.

(g) A facility's obligation to pay the surcharge under this subdivision ceases to accrue immediately upon closure of the facility. Notwithstanding the criteria and procedures required in subdivision 7a, the commissioner shall withhold all surcharge amounts due, along with all accrued penalties and interest from any Medicaid payments owed to the facility on the date of closure.

~~(f)~~ (h) Between April 1, 2002, and August 15, 2004 July 1, 2011, and June 30, 2012, a facility governed by this subdivision may elect to assume full participation in the medical assistance program by agreeing to comply with all of the requirements of the medical assistance program, including the rate equalization law in section 256B.48, subdivision 1, paragraph (a), and all other requirements established in law or rule, and to begin intake of new medical assistance recipients. Rates will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080. Notwithstanding section 256B.431, subdivision 27, paragraph (i), rate calculations will be subject to limits as prescribed in rule and law. Other than the adjustments in sections 256B.431, subdivisions 30 and 32; 256B.437, subdivision 3, paragraph (b), Minnesota Rules, part 9549.0057, and any other applicable legislation enacted prior to the finalization of rates, facilities assuming full participation in medical assistance under this paragraph are not eligible for any rate adjustments until the July 1 following their settle-up period.

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

Sec. 4. Minnesota Statutes 2010, section 256.9657, subdivision 3a, is amended to read:

Subd. 3a. **ICF/MR license surcharge.** (a) Effective July 1, 2003, each non-state-operated facility as defined under section 256B.501, subdivision 1, shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4, paragraph (d). The annual surcharge shall be \$1,040 per licensed bed. If the number of licensed beds is reduced, the surcharge shall be based on the number of remaining licensed beds the second month following the receipt of timely notice by the commissioner of human services that beds have been delicensed. The facility must notify the commissioner of health in writing when beds are delicensed. The commissioner of health must notify the commissioner of human services within ten working days after receiving written notification. If the notification is received by the commissioner of human services by the 15th of the month, the invoice for the second following month must be reduced to recognize the delicensing of beds. The commissioner may reduce, and may subsequently restore, the surcharge under this subdivision based on the commissioner's determination of a permissible surcharge.

(b) Effective July 15, 2011, the surcharge in paragraph (a) shall be increased to \$3,865 and effective October 15, 2011, to \$4,273.

(c) A facility's obligation to pay the surcharge under this subdivision does not accrue immediately upon closure of the facility. Notwithstanding the criteria and procedures required in subdivision 7a, the commissioner shall withhold all surcharge amounts due, along with all accrued penalties and interest from any Medicaid payments owed to the facility after the date of closure."

Page 25, delete section 21

Page 167, delete lines 19 to 33

Page 168, delete lines 1 to 35

Page 169, delete lines 1 to 29

Page 170, after line 7, insert:

**Limit Growth in the Developmental Disability Waiver.** The commissioner shall limit growth in the developmental disability waiver to 15 diversion allocations per month beginning July 1, 2011, through June 30, 2013. Waiver allocations shall be available to individuals who meet the priorities for accessing waiver services identified in Minnesota Statutes, 256B.092, subdivision 12. The limits do not include conversions from intermediate care facilities for persons with developmental disabilities.

**Limit Growth in the Community Alternatives for Disabled Individuals Waiver.** The commissioner shall limit growth in the community alternatives for disabled individuals waiver to 85 allocations per

month beginning July 1, 2011, through June 30, 2013. Waiver allocations must be available to individuals who meet the priorities for accessing waiver services identified in Minnesota Statutes, section 256B.49, subdivision 11a. The limits include conversions and diversions, unless the commissioner has approved a plan to convert funding due to the closure or downsizing of a residential facility or nursing facility to serve directly affected individuals on the community alternatives for disabled individuals waiver."

Page 173, line 14, after the period, insert "The senior nutrition program grants shall not be reduced in the biennium."

Correct the subdivision and section totals and the appropriations by fund accordingly

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 29 and nays 36, as follows:

Those who voted in the affirmative were:

Bakk	Harrington	Latz	Reinert	Sparks
Berglin	Higgins	Lourey	Rest	Stumpf
Bonoff	Jungbauer	Marty	Saxhaug	Tomassoni
Cohen	Kelash	Metzen	Sheran	Torres Ray
Dibble	Kubly	Pappas	Sieben	Wiger
Goodwin	Langseth	Pogemiller	Skoe	

Those who voted in the negative were:

Benson	Gazelka	Koch	Newman	Senjem
Brown	Gerlach	Kruse	Nienow	Thompson
Carlson	Gimse	Lillie	Olson	Vanderveer
Chamberlain	Hall	Limmer	Ortman	Wolf
Dahms	Hann	Magnus	Parry	
Daley	Hoffman	Michel	Pederson	
DeKruif	Howe	Miller	Robling	
Fischbach	Ingebrigtsen	Nelson	Rosen	

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

Senator Berglin moved to amend S.F. No. 760 as follows:

Page 4, after line 3, insert:

"Sec. 3. Minnesota Statutes 2010, section 256.9657, subdivision 1, is amended to read:

Subdivision 1. **Nursing home license surcharge.** (a) Effective July 1, 1993, each non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner an



annual surcharge according to the schedule in subdivision 4. The surcharge shall be calculated as \$620 per licensed bed. If the number of licensed beds ~~is reduced~~ changes, the surcharge shall be based on the number of remaining licensed beds the second month following the receipt of timely notice by the commissioner of human services that the number of beds have been delicensed has been changed. The nursing home must notify the commissioner of health in writing when the number of beds are delicensed is changed. The commissioner of health must notify the commissioner of human services within ten working days after receiving written notification. If the notification is received by the commissioner of human services by the ~~15th~~ third day of the month, the invoice for the second following month must be ~~reduced~~ changed to recognize the ~~delicensing~~ change in the number of beds. ~~Beds on layaway status continue to be subject to the surcharge.~~ The commissioner of human services must acknowledge a medical care surcharge appeal within 30 days of receipt of the written appeal from the provider.

(b) Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to \$625.

(c) Effective August 15, 2002, the surcharge under paragraph (b) shall be increased to \$990.

(d) Effective July 15, 2003, the surcharge under paragraph (c) shall be increased to \$2,815.

(e) Effective July 15, 2011, the surcharge under paragraph (d) shall be increased to \$3,450 and effective October 15, 2011, to \$3,800.

~~(e)~~ (f) The commissioner may reduce, and may subsequently restore, the surcharge under paragraph ~~(d)~~ (e) based on the commissioner's determination of a permissible surcharge.

(g) A facility's obligation to pay the surcharge under this subdivision ceases to accrue immediately upon closure of the facility. Notwithstanding the criteria and procedures required in subdivision 7a, the commissioner shall withhold all surcharge amounts due, along with all accrued penalties and interest from any Medicaid payments owed to the facility on the date of closure.

~~(f)~~ (h) ~~Between April 1, 2002, and August 15, 2004~~ July 1, 2011, and June 30, 2012, a facility governed by this subdivision may elect to assume full participation in the medical assistance program by agreeing to comply with all of the requirements of the medical assistance program, including the rate equalization law in section 256B.48, subdivision 1, paragraph (a), and all other requirements established in law or rule, and to begin intake of new medical assistance recipients. Rates will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080. Notwithstanding section 256B.431, subdivision 27, paragraph (i), rate calculations will be subject to limits as prescribed in rule and law. Other than the adjustments in sections 256B.431, subdivisions 30 and 32; 256B.437, subdivision 3, paragraph (b), Minnesota Rules, part 9549.0057, and any other applicable legislation enacted prior to the finalization of rates, facilities assuming full participation in medical assistance under this paragraph are not eligible for any rate adjustments until the July 1 following their settle-up period.

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

Sec. 4. Minnesota Statutes 2010, section 256.9657, subdivision 3a, is amended to read:

Subd. 3a. **ICF/MR license surcharge.** (a) Effective July 1, 2003, each non-state-operated facility as defined under section 256B.501, subdivision 1, shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4, paragraph (d). The annual surcharge shall be \$1,040 per licensed bed. If the number of licensed beds is reduced, the surcharge shall be based

on the number of remaining licensed beds the second month following the receipt of timely notice by the commissioner of human services that beds have been delicensed. The facility must notify the commissioner of health in writing when beds are delicensed. The commissioner of health must notify the commissioner of human services within ten working days after receiving written notification. If the notification is received by the commissioner of human services by the 15th of the month, the invoice for the second following month must be reduced to recognize the delicensing of beds. The commissioner may reduce, and may subsequently restore, the surcharge under this subdivision based on the commissioner's determination of a permissible surcharge.

(b) Effective July 15, 2011, the surcharge in paragraph (a) shall be increased to \$3,865 and effective October 15, 2011, to \$4,273.

(c) A facility's obligation to pay the surcharge under this subdivision does not accrue immediately upon closure of the facility. Notwithstanding the criteria and procedures required in subdivision 7a, the commissioner shall withhold all surcharge amounts due, along with all accrued penalties and interest from any Medicaid payments owed to the facility after the date of closure."

Page 22, delete section 16

Page 23, delete section 18

Pages 24 to 26, delete sections 20 to 22

Page 167, delete lines 19 to 24

Page 168, lines 23, 25, and 34, delete "2011" and insert "2012"

Page 168, line 33, delete "2013" and insert "2014"

Page 169, lines 8 and 24, delete "2011" and insert "2012"

Page 173, delete lines 4 to 18

Correct the subdivision and section totals and the appropriations by fund accordingly

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 28 and nays 36, as follows:

Those who voted in the affirmative were:

Bakk	Harrington	Latz	Rest	Stumpf
Berglin	Higgins	Lourey	Saxhaug	Tomassoni
Bonoff	Jungbauer	Marty	Sheran	Torres Ray
Cohen	Kelash	Metzen	Sieben	Wiger
Dibble	Kubly	Pappas	Skoe	
Goodwin	Langseth	Pogemiller	Sparks	

Those who voted in the negative were:

Benson	Chamberlain	DeKruif	Gerlach	Hann
Brown	Dahms	Fischbach	Gimse	Hoffman
Carlson	Daley	Gazelka	Hall	Howe

Ingebrigtsen  
Koch  
Kruse  
Lillie  
Limmer

Magnus  
Michel  
Miller  
Nelson  
Newman

Nienow  
Olson  
Ortman  
Parry  
Pederson

Robling  
Rosen  
Senjem  
Thompson  
Vandever

Wolf

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

Senator Berglin moved to amend S.F. No. 760 as follows:

Page 4, after line 3, insert:

"Sec. 3. Minnesota Statutes 2010, section 256.9657, subdivision 2, is amended to read:

Subd. 2. **Hospital surcharge.** (a) Effective October 1, 1992, each Minnesota hospital except facilities of the federal Indian Health Service and regional treatment centers shall pay to the medical assistance account a surcharge equal to 1.4 percent of net patient revenues excluding net Medicare revenues reported by that provider to the health care cost information system according to the schedule in subdivision 4.

(b) Effective July 1, 1994, the surcharge under paragraph (a) is increased to 1.56 percent.

(c) Effective July 1, 2011, the surcharge under paragraph (b) is increased to 4.97 percent.

(d) Notwithstanding the Medicare cost finding and allowable cost principles, the hospital surcharge is not an allowable cost for purposes of rate setting under sections 256.9685 to 256.9695.

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

Sec. 4. Minnesota Statutes 2010, section 256.969, subdivision 3a, is amended to read:

Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical assistance program must not be submitted until the recipient is discharged. However, the commissioner shall establish monthly interim payments for inpatient hospitals that have individual patient lengths of stay over 30 days regardless of diagnostic category. Except as provided in section 256.9693, medical assistance reimbursement for treatment of mental illness shall be reimbursed based on diagnostic classifications. Individual hospital payments established under this section and sections 256.9685, 256.9686, and 256.9695, in addition to third-party and recipient liability, for discharges occurring during the rate year shall not exceed, in aggregate, the charges for the medical assistance covered inpatient services paid for the same period of time to the hospital. This payment limitation shall be calculated separately for medical assistance and general assistance medical care services. The limitation on general assistance medical care shall be effective for admissions occurring on or after July 1, 1991. Services that have rates established under subdivision 11 or 12, must be limited separately from other services. After consulting with the affected hospitals, the commissioner may consider related hospitals one entity and may merge the payment rates while maintaining separate provider numbers. The operating and property base rates per admission or per day shall be derived from the best Medicare and claims data available when rates are established. The commissioner shall determine the best Medicare and claims data, taking into consideration variables of recency of the data, audit disposition, settlement status, and the ability to set rates in a timely manner. The commissioner shall notify hospitals of payment rates by December 1 of the year preceding the rate year. The rate setting data must reflect the admissions data used to establish relative values. Base year changes from 1981 to the base year established for the rate year beginning January 1,

1991, and for subsequent rate years, shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase under subdivision 1. The commissioner may adjust base year cost, relative value, and case mix index data to exclude the costs of services that have been discontinued by the October 1 of the year preceding the rate year or that are paid separately from inpatient services. Inpatient stays that encompass portions of two or more rate years shall have payments established based on payment rates in effect at the time of admission unless the date of admission preceded the rate year in effect by six months or more. In this case, operating payment rates for services rendered during the rate year in effect and established based on the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

(b) For fee-for-service admissions occurring on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for inpatient services is reduced by .5 percent from the current statutory rates.

(c) In addition to the reduction in paragraph (b), the total payment for fee-for-service admissions occurring on or after July 1, 2003, made to hospitals for inpatient services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432, and facilities defined under subdivision 16 are excluded from this paragraph.

(d) In addition to the reduction in paragraphs (b) and (c), the total payment for fee-for-service admissions occurring on or after August 1, 2005, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 6.0 percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Notwithstanding section 256.9686, subdivision 7, for purposes of this paragraph, medical assistance does not include general assistance medical care. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2006, to reflect this reduction.

(e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 3.46 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2009, through June 30, 2009, to reflect this reduction.

(f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.9 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2009, through June 30, 2011, to reflect this reduction.

(g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.79 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities

defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2011, to reflect this reduction.

(h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total payment for fee-for-service admissions occurring on or after July 1, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced one percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after October 1, 2009, to reflect this reduction.

(i) In addition to the reductions in paragraphs (b), (c), (d), (g), and (h), the total payment for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.96 percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2011, to reflect this reduction.

(j) In order to offset the ratable reductions provided for in this subdivision, the total payment rate for medical assistance fee-for-service admissions occurring on or after July 1, 2011, to September 30, 2012, made to Minnesota hospitals for inpatient services before third-party liability and spenddown, shall be increased by 40 percent from the current statutory rates. Effective October 1, 2012, the rate increase under this paragraph shall be reduced to 30 percent. For purposes of this paragraph, medical assistance does not include general assistance medical care. The commissioner shall not adjust rates paid to a prepaid health plan under contract with the commissioner to reflect payments provided in this paragraph. The commissioner may utilize a settlement process to adjust rates in excess of the Medicare upper limits on payments.

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

Sec. 5. Minnesota Statutes 2010, section 256.969, subdivision 21, is amended to read:

Subd. 21. **Mental health or chemical dependency admissions; rates.** (a) Admissions under the general assistance medical care program occurring on or after July 1, 1990, and admissions under medical assistance, excluding general assistance medical care, occurring on or after July 1, 1990, and on or before September 30, 1992, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of subdivision 14, except the per day rate shall be multiplied by a factor of 2, provided that the total of the per day rates shall not exceed the per admission rate. This methodology shall also apply when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary. Stays which are medically necessary for inpatient hospital services and covered by medical assistance shall not be billable to any other governmental entity. Medical necessity shall be determined under criteria established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

(b) In order to ensure adequate access for the provision of mental health services and to encourage broader delivery of these services outside the nonstate governmental hospital setting, payment rates for medical assistance admissions occurring on or after July 1, 2011, at a Minnesota private, not-for-profit hospital above the 75th percentile of all Minnesota private, nonprofit hospitals for diagnosis-related groups 424 to 432 and 521 to 523 admissions paid by medical assistance for admissions occurring in calendar year 2007, shall be increased for these diagnosis-related groups

at a percentage calculated to cost an average of not more than \$10,000,000 each fiscal year of the biennium ending June 30, 2013, including state and federal shares. For purposes of this paragraph, medical assistance does not include general assistance medical care. The commissioner shall not adjust rates paid to a prepaid health plan under contract with the commissioner to reflect payments provided in this paragraph. The commissioner may utilize a settlement process to adjust rates in excess of the Medicare upper limits on payments.

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

Sec. 6. Minnesota Statutes 2010, section 256.969, subdivision 26, is amended to read:

Subd. 26. **Greater Minnesota payment adjustment after June 30, 2001.** (a) For admissions occurring after June 30, 2001, the commissioner shall pay fee-for-service inpatient admissions for the diagnosis-related groups specified in paragraph (b) at hospitals located outside of the seven-county metropolitan area at the higher of:

(1) the hospital's current payment rate for the diagnostic category to which the diagnosis-related group belongs, exclusive of disproportionate population adjustments received under subdivision 9 and hospital payment adjustments received under subdivision 23; or

(2) 90 percent of the average payment rate for that diagnostic category for hospitals located within the seven-county metropolitan area, exclusive of disproportionate population adjustments received under subdivision 9 and hospital payment adjustments received under subdivisions 20 and 23.

(b) The payment increases provided in paragraph (a) apply to the following diagnosis-related groups, as they fall within the diagnostic categories:

- (1) 370 cesarean section with complicating diagnosis;
- (2) 371 cesarean section without complicating diagnosis;
- (3) 372 vaginal delivery with complicating diagnosis;
- (4) 373 vaginal delivery without complicating diagnosis;
- (5) 386 extreme immaturity and respiratory distress syndrome, neonate;
- (6) 388 full-term neonates with other problems;
- (7) 390 prematurity without major problems;
- (8) 391 normal newborn;
- (9) 385 neonate, died or transferred to another acute care facility;
- (10) 425 acute adjustment reaction and psychosocial dysfunction;
- (11) 430 psychoses;
- (12) 431 childhood mental disorders; and
- (13) 164-167 appendectomy.

(c) For medical assistance admissions occurring on or after July 1, 2011, to September 30, 2013, the payment rate under paragraph (a), clause (2), shall be increased to 100 percent from 90 percent. For purposes of this paragraph, medical assistance does not include general assistance medical care. The commissioner shall not adjust rates paid to a prepaid health plan under contract with the commissioner to reflect payments provided in this paragraph. The commissioner may utilize a settlement process to adjust rates in excess of the Medicare upper limits on payments.

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

Sec. 7. Minnesota Statutes 2010, section 256.969, is amended by adding a subdivision to read:

**Subd. 31. Hospital payment adjustment after June 30, 2011.** (a) For medical assistance admissions occurring on or after July 1, 2011, the commissioner shall increase rates at Minnesota private, not-for-profit hospitals as follows:

(1) for a hospital with total admissions reimbursed by government payers equal to or greater than 50 percent, payment rates for inpatient hospital services shall be increased for each admission by \$250 multiplied by a percentage determined by the commissioner under clause (4);

(2) for a hospital with total admissions reimbursed by government payers equal to or greater than 40 percent but less than 50 percent, payment rates for inpatient hospital services shall be increased for each admission by \$250 multiplied by a percentage determined by the commissioner under clause (4);

(3) for a hospital with total admissions reimbursed by government payers of less than 40 percent, payment rates for inpatient hospital services shall be increased for each admission by \$250 multiplied by a percentage determined by the commissioner under clause (4); and

(4) the commissioner shall develop a percentage increase for clauses (1) to (3) that satisfies the following criteria:

(i) total spending, including state and federal shares under this paragraph, shall not exceed an average of \$23,000,000 in each year of the biennium ending June 30, 2013; and

(ii) the percentage determined by the commissioner in clause (1) shall be 125 percent of the percentage determined in clause (2) and 167 percent of the percentage determined in clause (3).

For purposes of this paragraph, "government payers" means Medicare, medical assistance, MinnesotaCare, and general assistance medical care.

(b) For medical assistance admissions occurring on or after July 1, 2011, to March 31, 2012, the commissioner shall increase rates for inpatient hospital services at Minnesota hospitals by a dollar amount for each admission calculated to cost an average of \$23,000,000 in each year of the biennium ending June 30, 2013, including state and federal shares.

(c) For purposes of this subdivision, medical assistance does not include general assistance medical care. The commissioner shall not adjust rates paid to a prepaid health plan under contract with the commissioner to reflect payments provided in this subdivision. The commissioner may utilize a settlement process to adjust rates in excess of the Medicare upper limits on payments.

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

Page 70, delete section 4

Page 94, delete section 33

Page 105, delete section 41

Page 108, delete section 42

Page 117, delete section 50

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 27 and nays 37, as follows:

Those who voted in the affirmative were:

Bakk	Harrington	Lourey	Saxhaug	Tomassoni
Berglin	Higgins	Marty	Sheran	Torres Ray
Bonoff	Kelash	Metzen	Sieben	Wiger
Cohen	Kubly	Pappas	Skoe	
Dibble	Langseth	Pogemiller	Sparks	
Goodwin	Latz	Rest	Stumpf	

Those who voted in the negative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vanderveer
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

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

Senator Berglin moved to amend S.F. No. 760 as follows:

Page 119, after line 8, insert:

**"Sec. 53. MEDICAID FEDERAL FINANCIAL PARTICIPATION.**

Beginning January 1, 2012, the state shall not claim or accept any federal financial participation funds for expenditures made in the medical assistance program, the MinnesotaCare program, or the healthy Minnesota contribution program, if implemented. The commissioner of human services shall reduce provider rates within the medical assistance and MinnesotaCare programs to the extent necessary to meet state appropriations for these programs."

Renumber the sections in sequence and correct internal references

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 5 and nays 58, as follows:

Those who voted in the affirmative were:



Brown                      Pappas                      Saxhaug                      Sheran                      Wiger

Those who voted in the negative were:

Bakk	Gazelka	Kelash	Miller	Senjem
Benson	Gerlach	Koch	Nelson	Sieben
Berglin	Gimse	Kruse	Newman	Skoe
Bonoff	Goodwin	Kubly	Nienow	Sparks
Carlson	Hall	Langseth	Olson	Stumpf
Chamberlain	Hann	Latz	Ortman	Thompson
Cohen	Harrington	Lillie	Parry	Tomassoni
Dahms	Higgins	Lourey	Pederson	Torres Ray
Daley	Hoffman	Magnus	Pogemiller	Vandever
DeKruif	Howe	Marty	Rest	Wolf
Dibble	Ingebrigtsen	Metzen	Robling	
Fischbach	Jungbauer	Michel	Rosen	

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

Senator Berglin moved to amend S.F. No. 760 as follows:

Page 96, line 20, after the period, insert "No insurance producer may receive a commission, fee, or other compensation for the sale, solicitation, or negotiation of a health plan purchased by an enrollee with a defined contribution under this section that is in excess of the amount allowed as a fee under section 62E.15, subdivision 3."

Page 108, line 2, after the period, insert "No insurance producer may receive a commission, fee, or other compensation for the sale, solicitation, or negotiation of a health plan purchased by an enrollee with a defined contribution under this section that is in excess of the amount allowed as a fee under section 62E.15, subdivision 3."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 37, as follows:

Those who voted in the affirmative were:

Bakk	Harrington	Lourey	Saxhaug	Tomassoni
Berglin	Higgins	Marty	Sheran	Torres Ray
Bonoff	Kelash	Metzen	Sieben	Wiger
Cohen	Kubly	Pappas	Skoe	
Dibble	Langseth	Pogemiller	Sparks	
Goodwin	Latz	Rest	Stumpf	

Those who voted in the negative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vandever
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

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

Senator Rosen moved to amend S.F. No. 760 as follows:

Page 10, after line 19, insert:

"Sec. 8. Minnesota Statutes 2010, section 256B.0911, subdivision 3a, is amended to read:

Subd. 3a. **Assessment and support planning.** (a) Persons requesting assessment, services planning, or other assistance intended to support community-based living, including persons who need assessment in order to determine waiver or alternative care program eligibility, must be visited by a long-term care consultation team within 15 calendar days after the date on which an assessment was requested or recommended. After January 1, 2011, these requirements also apply to personal care assistance services, private duty nursing, and home health agency services, on timelines established in subdivision 5. Face-to-face assessments must be conducted according to paragraphs (b) to (i).

(b) The county may utilize a team of either the social worker or public health nurse, or both. After January 1, 2011, lead agencies shall use certified assessors to conduct the assessment in a face-to-face interview. The consultation team members must confer regarding the most appropriate care for each individual screened or assessed.

(c) The assessment must be comprehensive and include a person-centered assessment of the health, psychological, functional, environmental, and social needs of referred individuals and provide information necessary to develop a support plan that meets the consumers needs, using an assessment form provided by the commissioner.

(d) The assessment must be conducted in a face-to-face interview with the person being assessed and the person's legal representative, as required by legally executed documents, and other individuals as requested by the person, who can provide information on the needs, strengths, and preferences of the person necessary to develop a support plan that ensures the person's health and safety, but who is not a provider of service or has any financial interest in the provision of services. With the permission of the person being assessed or the persons' designated or legal representative, the client's provider of services may submit a copy of the provider's nursing assessment or written report outlining their recommendations regarding the client's care needs. The person conducting the assessment will notify the provider of the date by which this information is to be submitted. This information shall be provided to the person conducting the assessment prior to the assessment.

(e) The person, or the person's legal representative, must be provided with written recommendations for community-based services, including consumer-directed options, or institutional care that include documentation that the most cost-effective alternatives available were offered to the individual. For purposes of this requirement, "cost-effective alternatives" means community services and living arrangements that cost the same as or less than institutional care.

(f) If the person chooses to use community-based services, the person or the person's legal representative must be provided with a written community support plan, regardless of whether the individual is eligible for Minnesota health care programs. A person may request assistance in identifying community supports without participating in a complete assessment. Upon a request for assistance identifying community support, the person must be transferred or referred to the services available under sections 256.975, subdivision 7, and 256.01, subdivision 24, for telephone assistance and follow up.

(g) The person has the right to make the final decision between institutional placement and community placement after the recommendations have been provided, except as provided in subdivision 4a, paragraph (c).

(h) The team must give the person receiving assessment or support planning, or the person's legal representative, materials, and forms supplied by the commissioner containing the following information:

(1) the need for and purpose of preadmission screening if the person selects nursing facility placement;

(2) the role of the long-term care consultation assessment and support planning in waiver and alternative care program eligibility determination;

(3) information about Minnesota health care programs;

(4) the person's freedom to accept or reject the recommendations of the team;

(5) the person's right to confidentiality under the Minnesota Government Data Practices Act, chapter 13;

(6) the long-term care consultant's decision regarding the person's need for institutional level of care as determined under criteria established in section 144.0724, subdivision 11, or 256B.092; and

(7) the person's right to appeal the decision regarding the need for nursing facility level of care or the county's final decisions regarding public programs eligibility according to section 256.045, subdivision 3.

(i) Face-to-face assessment completed as part of eligibility determination for the alternative care, elderly waiver, community alternatives for disabled individuals, community alternative care, and traumatic brain injury waiver programs under sections 256B.0915, 256B.0917, and 256B.49 is valid to establish service eligibility for no more than 60 calendar days after the date of assessment. The effective eligibility start date for these programs can never be prior to the date of assessment. If an assessment was completed more than 60 days before the effective waiver or alternative care program eligibility start date, assessment and support plan information must be updated in a face-to-face visit and documented in the department's Medicaid Management Information System (MMIS). The effective date of program eligibility in this case cannot be prior to the date the updated assessment is completed."

Page 15, line 7, after "agency" insert ", with input from the provider of customized living services,"

Page 16, line 17, after "agency" insert ", with input from the provider of customized living services,"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Marty moved to amend S.F. No. 760 as follows:

Pages 75 to 76, delete sections 10 to 14

Page 77, delete section 16

Page 119, line 10, delete everything after "sections"

Page 119, line 11, delete "subdivision 5;"

Page 188, after line 29, insert:

**"ARTICLE 10  
INCOME TAX**

Section 1. Minnesota Statutes 2010, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first ~~\$25,680~~ \$33,770, 5.35 percent;
- (2) On all over ~~\$25,680~~ \$33,770, but not over ~~\$102,030~~ \$134,170, 7.05 percent;
- (3) On all over ~~\$102,030~~ \$134,170, but not over \$500,000, 7.85 percent-;
- (4) On all over \$500,000, 7.89 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$17,570~~ \$23,100, 5.35 percent;
- (2) On all over ~~\$17,570~~ \$23,100, but not over ~~\$57,710~~ \$75,890, 7.05 percent;
- (3) On all over ~~\$57,710~~ \$75,890, but not over \$282,500, 7.85 percent-;
- (4) On all over \$282,500, 7.89 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$21,630~~ \$28,440, 5.35 percent;
- (2) On all over ~~\$21,630~~ \$28,440, but not over ~~\$86,910~~ \$114,290, 7.05 percent;
- (3) On all over ~~\$86,910~~ \$114,290, but not over \$425,000, 7.85 percent-;
- (4) On all over \$425,000, 7.89 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued

by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by the additions required under section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), (12), (13), (16), and (17), and reduced by the Minnesota assignable portion of the subtraction for United States government interest under section 290.01, subdivision 19b, clause (1), and the subtractions under section 290.01, subdivision 19b, clauses (8), (9), (13), (14), (15), and (17), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), (12), (13), (16), and (17), and reduced by the amounts specified in section 290.01, subdivision 19b, clauses (1), (8), (9), (13), (14), (15), and (17).

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

Sec. 2. Minnesota Statutes 2010, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. **Inflation adjustment of brackets.** (a) For taxable years beginning after December 31, ~~2000~~ 2011, the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage determined under paragraph (b). For the purpose of making the adjustment as provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets as they existed for taxable years beginning after December 31, ~~1999~~ 2010, and before January 1, ~~2001~~ 2012. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

(b) The commissioner shall adjust the rate brackets and 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 "~~1999~~" "2010" shall be substituted for the word "1992." For ~~2001~~ 2012, the commissioner shall then determine the percent change from the 12 months ending on August 31, ~~1999~~ 2010, to the 12 months ending on August 31, ~~2000~~ 2011, and in each subsequent year, from the 12 months ending on August 31, ~~1999~~ 2010, to the 12 months ending on August 31 of the year preceding the taxable year. 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 contained in chapter 14.

No later than December 15 of each year, the commissioner shall announce the specific percentage that will be used to adjust the tax rate brackets.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2011."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Kruse questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Marty 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 37 and nays 27, as follows:

Those who voted in the affirmative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vandever
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

Those who voted in the negative were:

Bakk	Harrington	Lourey	Saxhaug	Tomassoni
Berglin	Higgins	Marty	Sheran	Torres Ray
Bonoff	Kelash	Metzen	Sieben	Wiger
Cohen	Kubly	Pappas	Skoe	
Dibble	Langseth	Pogemiller	Sparks	
Goodwin	Latz	Rest	Stumpf	

So the decision of the President was sustained.

Senator Marty moved to amend S.F. No. 760 as follows:

Page 26, delete section 23

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 21 and nays 42, as follows:

Those who voted in the affirmative were:

Bakk	Higgins	Metzen	Skoe	Wiger
Berglin	Kelash	Pogemiller	Sparks	
Cohen	Langseth	Saxhaug	Stumpf	
Dibble	Lourey	Sheran	Tomassoni	
Harrington	Marty	Sieben	Torres Ray	

Those who voted in the negative were:

Benson	Bonoff	Brown	Carlson	Chamberlain
--------	--------	-------	---------	-------------

Dahms	Hann	Latz	Nienow	Rosen
Daley	Hoffman	Lillie	Olson	Senjem
DeKruif	Howe	Limmer	Ortman	Thompson
Fischbach	Ingebrigtsen	Magnus	Pappas	Vanderveer
Gazelka	Jungbauer	Michel	Parry	Wolf
Gerlach	Koch	Miller	Pederson	
Gimse	Kruse	Nelson	Rest	
Hall	Kubly	Newman	Robling	

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

Senator Marty moved to amend S.F. No. 760 as follows:

Page 134, line 23, before "HUMAN" insert "REPRODUCTIVE"

Page 134, after line 30, insert:

"(c) "Reproductive human cloning" means the implantation of a somatic cell nuclear transfer (SCNT) embryo into a uterus for the purpose of creating a cloned human being."

Page 134, line 31, delete "(c)" and insert "(d)"

Page 134, line 35, before "human" insert "reproductive"

Page 135, line 1, before "human" insert "reproductive"

Page 135, line 3, after "embryo" insert "for the purpose of reproductive human cloning"

Page 135, line 5, before "human" insert "reproductive"

Page 135, line 10, before "stem" insert "SCNT" and delete the third comma and insert "for purposes of research and cures related to Parkinson's disease, Alzheimer's disease, amyotrophic lateral sclerosis (ALS), cystic fibrosis, macular degeneration, spinal cord injury, cancer, diabetes, heart disease, or any other medical disease or condition."

Page 135, delete line 11

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 39, as follows:

Those who voted in the affirmative were:

Bakk	Goodwin	Latz	Pogemiller	Skoe
Berglin	Harrington	Lourey	Rest	Sparks
Bonoff	Higgins	Marty	Saxhaug	Tomassoni
Cohen	Kelash	Metzen	Sheran	Torres Ray
Dibble	Langseth	Pappas	Sieben	Wiger

Those who voted in the negative were:

Benson	Gazelka	Jungbauer	Miller	Robling
Brown	Gerlach	Koch	Nelson	Rosen
Carlson	Gimse	Kruse	Newman	Senjem
Chamberlain	Hall	Kubly	Nienow	Stumpf
Dahms	Hann	Lillie	Olson	Thompson
Daley	Hoffman	Limmer	Ortman	Vanderveer
DeKruif	Howe	Magnus	Parry	Wolf
Fischbach	Ingebrigtsen	Michel	Pederson	

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

Senator Lourey moved to amend S.F. No. 760 as follows:

Page 119, line 3, before "State" insert "(a)"

Page 119, after line 7, insert:

"(b) Notwithstanding paragraph (a), the provisions of the Patient Protection and Affordable Care Act, Public Law 111-148, as amended by the Health Care and Education Affordability and Reconciliation Act of 2010, Public Law 111-152, that extend dependent coverage for children until the adult child turns 26 years of age shall continue to be implemented."

Senator Nienow moved to amend the Lourey amendment to S.F. No. 760 as follows:

Page 1, line 4, delete everything after the comma and insert "it is the position of the state of Minnesota that the Patient Protection and Affordable Care Act, Public Law 111-148, infringes on the constitutional rights of the state of Minnesota and Minnesota residents, which are specified in the tenth amendment of the United States Constitution. While retaining and protecting full constitutional rights for the state and residents, which are afforded under the tenth amendment, the state, of its own volition and without duress from the federal government or federal law, may"

Page 1, delete line 5

Page 1, line 6, delete everything before "extend"

Page 1, line 7, delete "shall continue to be"

Page 1, line 8, delete "implemented"

The question was taken on the adoption of the Nienow amendment to the Lourey amendment.

The roll was called, and there were yeas 37 and nays 27, as follows:

Those who voted in the affirmative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vandever
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

Those who voted in the negative were:

Bakk	Harrington	Lourey	Saxhaug	Tomassoni
Berglin	Higgins	Marty	Sheran	Torres Ray
Bonoff	Kelash	Metzen	Sieben	Wiger
Cohen	Kubly	Pappas	Skoe	
Dibble	Langseth	Pogemiller	Sparks	
Goodwin	Latz	Rest	Stumpf	

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

Senator Lourey withdrew his amendment.

Senator Marty moved to amend S.F. No. 760 as follows:



Page 71, after line 12, insert:

"Sec. 7. **[256.9659] HEALTH CARE SERVICES FEE.**

A health care services fee is imposed. The fee is equal to 0.04 percent of the following amounts of taxable net income as determined under chapter 290:

(1) on taxable net income of individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code that exceeds \$500,000;

(2) on taxable net income of unmarried individuals that exceeds \$282,500; and

(3) on taxable net income of heads of household that exceeds \$425,000.

The commissioner of revenue shall collect this fee together with the tax imposed under chapter 290 and deposit the proceeds in the general fund."

Pages 75 to 76, delete sections 10 to 14

Page 77, delete section 16

Page 119, line 10, delete everything after "sections"

Page 119, line 11, delete "subdivision 5;"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Fischbach questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Marty 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 37 and nays 27, as follows:

Those who voted in the affirmative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vanderveer
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

Those who voted in the negative were:

Bakk	Harrington	Lourey	Saxhaug	Tomassoni
Berglin	Higgins	Marty	Sheran	Torres Ray
Bonoff	Kelash	Metzen	Sieben	Wiger
Cohen	Kubly	Pappas	Skoe	
Dibble	Langseth	Pogemiller	Sparks	
Goodwin	Latz	Rest	Stumpf	

So the decision of the President was sustained.

Senator Sheran moved to amend S.F. No. 760 as follows:

Pages 131 to 132, delete sections 20 to 22 and insert:

"Sec. 20. Minnesota Statutes 2010, section 144.125, subdivision 3, is amended to read:

**Subd. 3. Objection of parents to test.** Persons with a duty to perform testing under subdivision 1 shall clearly advise parents of infants prior to administering the tests (1) that the blood or tissue samples used to perform testing thereunder as well as the results of such testing may be retained by the Department of Health, (2) the benefit of retaining the blood or tissue sample, and (3) that the following options are available to them with respect to the testing: (i) to decline to have the tests, or (ii) to elect to have the tests but to require that all blood samples and records of test results be destroyed within 24 months of the testing. The person with a duty to perform testing under subdivision 1 shall make a notation in the infant's medical record that the infant's parents have been provided with this information. If the parents of an infant object in writing to testing for heritable and congenital disorders or elect to require that blood samples and test results be destroyed, the objection or election shall be recorded on a form that is signed by a parent or legal guardian and made part of the infant's medical record. A written objection exempts an infant from the requirements of this section and section 144.128.

Sec. 21. Minnesota Statutes 2010, section 144.128, is amended to read:

**144.128 COMMISSIONER'S DUTIES.**

(a) The commissioner shall:

- (1) notify the physicians of newborns tested of the results of the tests performed;
- (2) make referrals for the necessary treatment of diagnosed cases of heritable and congenital disorders when treatment is indicated;
- (3) maintain a registry of the cases of heritable and congenital disorders detected by the screening program for the purpose of follow-up services;
- (4) prepare a separate form for use by parents or by adults who were tested as minors to direct that blood samples and test results be destroyed;
- (5) comply with a destruction request within 45 days after receiving it;
- (6) notify individuals who request destruction of samples and test results that the samples and test results have been destroyed; and
- (7) adopt rules to carry out sections 144.125 to 144.128.

(b) The commissioner shall ensure that the information required to be provided to parents under section 144.125, subdivision 3, be written in a clear and coherent manner using words with common and everyday meanings and be appropriately divided and captioned in an easily understandable manner that clearly describes the rights of the infant's parents under section 144.125 to object to the testing or to elect to have the test results destroyed within 24 months of the testing."

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 29 and nays 35, as follows:

Those who voted in the affirmative were:

Bakk	Harrington	Lourey	Rest	Skoe
Berglin	Higgins	Marty	Rosen	Sparks
Bonoff	Kelash	Metzen	Saxhaug	Stumpf
Cohen	Kubly	Nelson	Senjem	Tomassoni
Dibble	Langseth	Pappas	Sheran	Wiger
Goodwin	Latz	Pogemiller	Sieben	

Those who voted in the negative were:

Benson	Fischbach	Howe	Magnus	Parry
Brown	Gazelka	Ingebrigtsen	Michel	Pederson
Carlson	Gerlach	Jungbauer	Miller	Robling
Chamberlain	Gimse	Koch	Newman	Thompson
Dahms	Hall	Kruse	Nienow	Torres Ray
Daley	Hann	Lillie	Olson	Vandever
DeKruif	Hoffman	Limmer	Ortman	Wolf

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

Senator Sheran moved to amend S.F. No. 760 as follows:

Page 142, delete section 6

Page 149, delete section 7

Page 151, delete sections 8 to 10

Page 159, delete section 23

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 26 and nays 37, as follows:

Those who voted in the affirmative were:

Bakk	Harrington	Lourey	Sheran	Torres Ray
Berglin	Higgins	Metzen	Sieben	Wiger
Bonoff	Kelash	Pappas	Skoe	
Cohen	Kubly	Pogemiller	Sparks	
Dibble	Langseth	Rest	Stumpf	
Goodwin	Latz	Saxhaug	Tomassoni	

Those who voted in the negative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vandever
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

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

S.F. No. 760 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 37 and nays 26, as follows:

Those who voted in the affirmative were:

Benson	Gazelka	Jungbauer	Nelson	Rosen
Brown	Gerlach	Koch	Newman	Senjem
Carlson	Gimse	Kruse	Nienow	Thompson
Chamberlain	Hall	Lillie	Olson	Vandever
Dahms	Hann	Limmer	Ortman	Wolf
Daley	Hoffman	Magnus	Parry	
DeKruif	Howe	Michel	Pederson	
Fischbach	Ingebrigtsen	Miller	Robling	

Those who voted in the negative were:

Bakk	Harrington	Lourey	Sheran	Torres Ray
Berglin	Higgins	Metzen	Sieben	Wiger
Bonoff	Kelash	Pappas	Skoe	
Cohen	Kubly	Pogemiller	Sparks	
Dibble	Langseth	Rest	Stumpf	
Goodwin	Latz	Saxhaug	Tomassoni	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

### MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 1016:** A bill for an act relating to state government; appropriating money for agriculture, the Board of Animal Health, and the Agricultural Utilization Research Institute; modifying certain fees; modifying certain restrictions on farm disposal; clarifying the authority of certain entities; amending Minnesota Statutes 2010, sections 17.135; 18B.03, subdivision 1; 18C.005, by adding a subdivision; 18C.111, by adding a subdivision; 18C.131; 18C.425, by adding a subdivision; 18D.201, subdivision 5, by adding a subdivision; 18E.03, subdivision 4; 27.041, by adding a subdivision; 38.01; 373.01, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115A.

Senate File No. 1016 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned March 30, 2011

Senator Magnus moved that the Senate do not concur in the amendments by the House to S.F. No. 1016, and that a Conference Committee of 5 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.

#### **MEMBERS EXCUSED**

Senator Scheid was excused from the Session of today. Senator Pogemiller was excused from the Session of today from 2:50 to 3:20 p.m. Senator Reinert was excused from the Session of today at 4:00 p.m. Senator Marty was excused from the Session of today at 6:30 p.m.

#### **ADJOURNMENT**

Senator Koch moved that the Senate do now adjourn until 9:00 a.m., Thursday, March 31, 2011. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

