

## FIFTY-FIFTH DAY

St. Paul, Minnesota, Friday, May 13, 2011

The Senate met at 9:30 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, Intern Pastor Nile Sandeen.

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

The President declared a quorum present.

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

## MESSAGES FROM THE HOUSE

Madam President:

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

**S.F. No. 1115:** A bill for an act relating to natural resources; modifying nonnative species

provisions; modifying certain requirements for public waters work permits; modifying requirements for permits to control or harvest aquatic plants; providing criminal penalties and civil penalties; amending Minnesota Statutes 2010, sections 84D.01, subdivisions 8a, 16, 21, by adding subdivisions; 84D.02, subdivision 6; 84D.03, subdivisions 3, 4; 84D.08; 84D.09; 84D.10, subdivisions 1, 3, 4; 84D.11, subdivision 2a; 84D.13, subdivisions 3, 4, 5, 6, 7; 84D.15, subdivision 2; 97C.081, subdivision 4; 103G.311, subdivision 5; 103G.615, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 84D; 86B; repealing Minnesota Statutes 2010, section 84D.02, subdivision 4.

Senate File No. 1115 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 12, 2011

### CONCURRENCE AND REPASSAGE

Senator Ingebrigtsen moved that the Senate concur in the amendments by the House to S.F. No. 1115 and that the bill be placed on its repassage as amended.

Senator Bakk moved that the Senate do not concur in the amendments by the House to S.F. No. 1115, 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 question was taken on the adoption of the Bakk motion.

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

Those who voted in the affirmative were:

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

The motion prevailed.

### MESSAGES FROM THE HOUSE - CONTINUED

Madam President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 186:

**H.F. No. 186:** A bill for an act relating to drivers' licenses; extending expiration period for driver's license while person is serving in active military service; amending Minnesota Statutes 2010, section 171.27.

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

Urdahl, Dettmer and Koenen have been appointed as such committee on the part of the House.

House File No. 186 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 11, 2011

Senator Daley moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 186, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

### REPORTS OF COMMITTEES

Senator Koch moved that the Committee Reports at the Desk be now adopted, with the exception of the report pertaining to the appointment. The motion prevailed.

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

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

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

Page 10, line 15, delete "shall" and insert "may"

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

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

**S.F. No. 1199:** A bill for an act relating to labor and employment; modifying prevailing wage provisions; amending Minnesota Statutes 2010, section 177.42, subdivisions 4, 6.

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

Page 2, after line 9, insert:

"Sec. 3. [177.421] PREVAILING WAGE DETERMINATIONS.

Subdivision 1. Highway and heavy construction. The department shall, at least once every two calendar years, determine and certify prevailing wage rates applicable to state projects that are similar in nature to public and private highway and heavy construction projects where the estimated total cost of completing the project is \$25,000 or more.

Subd. 2. Commercial type construction. The department shall, at least once every two calendar years, determine and certify prevailing wage rates applicable to state projects that are similar in nature to public and private commercial projects where the estimated total cost of completing the project is \$2,500 or more.

Subd. 3. Survey data. Each wage survey shall be based upon work performed in the 24 months preceding the date the survey is commenced and the resulting wage determinations certified following the close of the survey."

Amend the title numbers accordingly

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

**Senator Limmer from the Committee on Judiciary and Public Safety, to which was referred the following appointment:**

COMMISSIONER OF PUBLIC SAFETY  
Ramona L. Dohman

Reports the same back with the recommendation that the appointment be confirmed.

Senator Koch moved that the foregoing committee report be laid on the table. The motion prevailed.

### SECOND READING OF SENATE BILLS

S.F. Nos. 1159 and 1199 were read the second time.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

**Senator Sheran introduced—**

**S.F. No. 1424:** A bill for an act relating to capital improvements; appropriating money to design and construct a regional transit facility in Mankato; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**MOTIONS AND RESOLUTIONS**

Senator Senjem moved that the name of Senator Nelson be added as a co-author to S.F. No. 1421. The motion prevailed.

**RECESS**

Senator Koch moved that the Senate do now recess until 10:45 a.m. The motion prevailed.

The hour of 10:45 a.m. having arrived, 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**

Pursuant to Rule 26, Senator Koch, Chair of the Committee on Rules and Administration, designated H.F. No. 1326 a Special Order to be heard immediately.

**SPECIAL ORDER**

**H.F. No. 1326:** A bill for an act relating to liquor; authorizing brewer taproom licenses; allowing a bed and breakfast to serve Minnesota beer; making clarifying, technical, and other changes to certain license provisions; authorizing the issuance of certain on-sale and off-sale licenses; amending Minnesota Statutes 2010, sections 340A.301, by adding a subdivision; 340A.4011, subdivision 2; 340A.404, subdivision 7, by adding subdivisions; 340A.412, subdivisions 4, 14.

Senator Latz moved to amend H.F. No. 1326, as amended pursuant to Rule 45, adopted by the Senate May 12, 2011, as follows:

(The text of the amended House File is identical to S.F. No. 918.)

Page 6, after line 3, insert:

"Sec. 12. Minnesota Statutes 2010, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

- (1) alcoholic beverages;
- (2) tobacco products;
- (3) ice;
- (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;

- (5) soft drinks;
- (6) liqueur-filled candies;
- (7) food products that contain more than one-half of one percent alcohol by volume;
- (8) cork extraction devices;
- (9) books and videos on the use of alcoholic beverages;
- (10) magazines and other publications published primarily for information and education on alcoholic beverages;
- (11) multiple-use bags designed to carry purchased items;
- (12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers; ~~and~~
- (13) home brewing equipment; and
- (14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Pursuant to Rule 41.2, Senator Stumpf moved that he be excused from voting on H.F. No. 1326. The motion prevailed.

H.F. No. 1326 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Koch moved that the Senate take up the General Orders Calendar. The motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Senator Fischbach in the chair.

After some time spent therein, the committee arose, and Senator Fischbach reported that the committee had considered the following:

S.F. Nos. 172, 301, 680, 1213 and H.F. Nos. 1341, 721, 493, 387 and 695 which the committee recommends to pass.

**S.F. No. 1265**, which the committee recommends to pass with the following amendment offered by Senator Howe:

Page 1, line 16, after the period, insert "This subdivision must not be construed to create an exemption from controlled substance crimes in chapter 152."

The motion prevailed. So the amendment was adopted.

**S.F. No. 288**, which the committee recommends to pass with the following amendment offered by Senator Howe:

Page 1, line 10, after "is" insert "physically"

Page 1, line 11, delete "fabricated" and insert "manufactured"

Page 1, line 12, delete everything after the period

Page 1, delete lines 13 and 14

Page 1, line 19, delete the comma

Page 1, line 20, delete "fabricate,"

Page 1, line 23, delete "fabrication" and insert "manufacture"

Page 2, line 2, delete "January" and insert "April"

Page 2, line 3, delete ", fabricate,"

Page 2, line 7, before "An" insert "(a)"

Page 2, delete lines 23 to 26 and insert:

"(b) Notwithstanding paragraph (a), laboratories shall have until April 1, 2014, to meet the requirement described in paragraph (a), clause (4)."

Page 3, line 25, delete "repair or fabricate" and insert "manufacture or repair"

Page 3, line 26, delete "repaired or fabricated" and insert "manufactured or repaired"

Page 3, line 27, delete everything after "practice" and insert "for a patient must include in the patient's record the material content information of the dental prosthetic appliance."

Page 3, delete line 28

Page 4, after line 29, insert:

"Sec. 9. **EFFECTIVE DATE.**

Sections 1 to 7 are effective April 1, 2012."

The motion prevailed. So the amendment was adopted.

**S.F. No. 134**, which the committee recommends to pass, subject to the following motions:

Senator Goodwin moved that S.F. No. 134, be re-referred to the Committee on Rules and Administration.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

The question was taken on the recommendation to pass S.F. No. 134.

The roll was called, and there were yeas 35 and nays 29, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:



Bakk  
Berglin  
Bonoff  
Cohen  
Dibble  
Goodwin

Harrington  
Higgins  
Kelash  
Kubly  
Langseth  
Latz

Lourey  
Marty  
McGuire  
Metzen  
Pappas  
Pogemiller

Reinert  
Rest  
Scheid  
Sheran  
Sieben  
Skoe

Sparks  
Stumpf  
Tomassoni  
Torres Ray  
Wiger

The motion prevailed. So S.F. No. 134 was recommended to pass.

On motion of Senator Koch, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Koch, Chair of the Committee on Rules and Administration, designated S.F. No. 1197 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 1197:** A bill for an act relating to energy; modifying provisions related to utility report filings, weatherization programs, and public utility commission assessments; removing obsolete and redundant language; providing for certain reporting requirements; requiring utility rates be based primarily on cost of service between and among consumer classes; making clarifying and technical changes; authorizing the Public Utilities Commission to approve a multiyear rate plan for certain utilities; providing for cost recovery for certain pollution control products; requiring certain rate impact information related to compliance with renewable energy standard; modifying conservation improvement program; modifying provision relating to transmission projects reports; regulating charitable contributions and securities issuance by utilities; relieving Energy Conservation Information Center from certain data-gathering responsibilities; amending Minnesota Statutes 2010, sections 16E.15, subdivision 2; 216B.03; 216B.07; 216B.16, subdivisions 7, 9, 15, by adding subdivisions; 216B.1691, by adding a subdivision; 216B.2401; 216B.241, subdivisions 1c, 2; 216B.2425, subdivision 2; 216B.49, subdivision 3; 216C.11; 216C.264; 216E.18, subdivision 3; repealing Minnesota Statutes 2010, section 216B.242.

Senator Rosen moved to amend S.F. No. 1197 as follows:

Page 2, after line 4, insert:

"Sec. 2. Minnesota Statutes 2010, section 216B.026, subdivision 1, is amended to read:

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

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

~~stockholders of the association."~~

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Benson moved to amend S.F. No. 1197 as follows:

Page 2, after line 4, insert:

"Sec. 2. Minnesota Statutes 2010, section 216B.02, is amended by adding a subdivision to read:

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

Page 2, after line 21, insert:

"Sec. 5. Minnesota Statutes 2010, section 216B.16, subdivision 6b, is amended to read:

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

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

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

of balances due to the utility for conservation improvements made by the utility on or before December 31, 2007.

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

Page 5, after line 4, insert:

"Sec. 11. Minnesota Statutes 2010, section 216B.1636, subdivision 1, is amended to read:

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

(b) "Electric utility infrastructure costs" or "EUIC" means costs for electric utility infrastructure projects that were not included in the electric utility's rate base in its most recent general rate case.

(c) "Electric utility infrastructure projects" means projects owned by an electric utility that:

(1) replace or modify existing electric utility infrastructure, including utility-owned buildings, if the replacement or modification is shown to conserve energy or use energy more efficiently, consistent with section 216B.241, subdivision 1c; or

(2) conserve energy or use energy more efficiently by using waste heat recovery converted into electricity as defined in section 216B.241, subdivision 1, paragraph ~~(n)~~ (o)."

Page 5, after line 31, insert:

"Sec. 14. Minnesota Statutes 2010, section 216B.241, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

(1) gas sales to:

(i) a large energy facility;

(ii) a large gas customer facility exempted by the commissioner under subdivision 1a, paragraph (d); and

(iii) a commercial gas customer facility exempted by the commissioner under subdivision 1a, paragraph (e); and

(2) gas and electric sales to a large electric customer facility exempted by the commissioner under subdivision 1a, paragraph (b), or by the commission under subdivision 2.

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

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

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

(j) "Large electric customer facility" means a customer facility that imposes a peak electrical demand on an electric utility's system of not less than 20,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electrical demand for billing purposes, and for which electric services are provided at retail on a single bill by a utility operating in the state.

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

(l) "Large gas customer facility" means a customer facility that consumes 500 million cubic feet or more of natural gas annually.

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

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

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

Sec. 15. Minnesota Statutes 2010, section 216B.241, subdivision 1a, is amended to read:

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

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

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

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

For purposes of this paragraph (a), "gross operating revenues" do not include revenues from large electric customer facilities exempted by the commissioner under paragraph (b).

(b) The owner of a large electric customer facility may petition the commissioner to exempt both electric and gas utilities serving the large energy customer facility from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the facility. At a minimum, the petition must be supported by evidence relating to competitive or economic pressures on the customer and a showing by the customer of reasonable efforts to identify, evaluate, and implement cost-effective conservation improvements at the facility. If a petition is filed on or before October 1 of any year, the order of the commissioner to exempt revenues attributable to the facility can be effective no earlier than January 1 of the following year. The commissioner shall not grant an exemption if the commissioner determines that granting the exemption is contrary to the public interest. The commissioner may, after investigation, rescind any exemption granted under this paragraph upon a determination that the customer is not continuing to make reasonable efforts to identify, evaluate, and implement energy conservation improvements at the large electric customer facility. For the purposes of investigations by the commissioner under this paragraph, the owner of any large electric customer facility shall, upon request, provide the commissioner with updated information comparable to that originally supplied in or with the owner's original petition under this paragraph.

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

(d) The owner of a large gas customer facility may petition the commissioner to exempt a gas utility serving the large gas customer facility from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the facility. At a minimum, the petition must be supported by evidence relating to competitive or economic pressures on the customer and a showing by the customer of reasonable efforts to identify, evaluate, and implement cost-effective conservation improvements at the facility. If a petition is filed on or before October 1 of any year, the order of the commissioner to exempt revenues attributable to the facility can be effective no earlier than January 1 of the following year. The commissioner shall not grant an exemption if the commissioner determines that granting the exemption is contrary to the public interest. The commissioner may, after investigation, rescind any exemption granted under this

paragraph upon a determination that the customer is not continuing to make reasonable efforts to identify, evaluate, and implement energy conservation improvements at the exempt facility. For the purposes of investigations by the commissioner under this paragraph and paragraph (e), the owner of any large gas customer facility shall, upon request, provide the commissioner with updated information comparable to that originally supplied in or with the owner's original petition under this paragraph. For large gas customer facilities that have been exempted by the commissioner under this paragraph, or commercial gas customer facilities that have been exempted by the commissioner under paragraph (e), an audit or other report prepared by an independent third party with expertise in energy conservation shall be prepared verifying that the customer has taken reasonable and appropriate measures to implement cost-effective conservation improvements.

(e) A commercial gas customer facility that is not a large gas customer facility may petition the commissioner to exempt gas utilities with fewer than 600,000 customers serving the commercial gas customer facility from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the facility. The petition must be supported by evidence demonstrating that the commercial gas customer facility has or can reasonably acquire the capability to bypass use of the utility's gas distribution system by obtaining natural gas directly from a supplier not regulated by the commission.

(f) A public utility or owner of a large electric or large gas customer facility, or of a commercial gas customer facility that is not a large gas customer facility, may appeal a decision of the commissioner under paragraph (b) ~~or~~, (c), (d), or (e) to the commission under subdivision 2. In reviewing a decision of the commissioner under paragraph (b) ~~or~~, (c), (d), or (e), the commission shall rescind the decision if it finds that the required investments or spending will:

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

Page 7, delete section 12 and insert:

"Sec. 17. Minnesota Statutes 2010, section 216B.241, subdivision 2, is amended to read:

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

(b) The commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in

energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department.

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

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

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

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

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Howe moved to amend S.F. No. 1197 as follows:

Page 5, after line 4, insert:

"Sec. 9. [216B.1614] NUCLEAR POWER PLANT DECOMMISSIONING AND

**STORAGE OF USED NUCLEAR FUEL.**

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

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

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

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

- (1) an explanation of the commission's funding decisions regarding nuclear decommissioning;
- (2) the progress of the United States Department of Energy to remove from Minnesota spent fuel produced by nuclear generating plants in Minnesota;
- (3) an analysis of the financial and other obligations related to decommissioning and storage of used fuel of the utility holding title to spent nuclear fuel to the state and to host communities, including affected tribal communities; and
- (4) any recommendations to the legislature on legislation or other actions that may be necessary for addressing long-term or indefinite storage costs."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Carlson moved to amend S.F. No. 1197 as follows:

Page 5, after line 4, insert:

"Sec. 9. Minnesota Statutes 2010, section 216B.1691, subdivision 1, is amended to read:

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

- (1) solar;



- (2) wind;
- (3) hydroelectric with a capacity of less than 100 megawatts;
- (4) hydrogen, provided that after January 1, 2010, the hydrogen must be generated from the resources listed in this paragraph; or
- (5) biomass, which includes, without limitation, landfill gas; an anaerobic digester system; the predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge to produce electricity; and an energy recovery facility used to capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a primary fuel.

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

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

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1197 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 51 and nays 14, as follows:

Those who voted in the affirmative were:

Bakk	Gerlach	Langseth	Olson	Skoe
Benson	Gimse	Lillie	Ortman	Sparks
Bonoff	Hall	Limmer	Parry	Stumpf
Brown	Harrington	Lourey	Pederson	Thompson
Carlson	Hoffman	Magnus	Reinert	Tomassoni
Chamberlain	Howe	Metzen	Rest	Vanderveer
Dahms	Ingebrigtsen	Michel	Robling	Wolf
Daley	Jungbauer	Miller	Rosen	
DeKruif	Koch	Nelson	Scheid	
Fischbach	Kruse	Newman	Senjem	
Gazelka	Kubly	Nienow	Sheran	

Those who voted in the negative were:

Berglin	Goodwin	Latz	Pappas	Torres Ray
Cohen	Higgins	Marty	Pogemiller	Wiger
Dibble	Kelash	McGuire	Sieben	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Koch moved that the Senate take up the Calendar. The motion prevailed.

### CALENDAR

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

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 13, as follows:

Those who voted in the affirmative were:

Benson	Gimse	Kubly	Nienow	Skoe
Bonoff	Goodwin	Langseth	Olson	Sparks
Brown	Hall	Latz	Ortman	Thompson
Carlson	Harrington	Lillie	Pederson	Tomassoni
Chamberlain	Higgins	Limmer	Reinert	Vandever
Dahms	Hoffman	Magnus	Rest	Wiger
Daley	Howe	Metzen	Robling	Wolf
DeKruif	Ingebrigtsen	Michel	Rosen	
Fischbach	Jungbauer	Miller	Scheid	
Gazelka	Koch	Nelson	Senjem	
Gerlach	Kruse	Newman	Sheran	

Those who voted in the negative were:

Bakk	Dibble	Marty	Pogemiller	Torres Ray
Berglin	Kelash	McGuire	Sieben	
Cohen	Lourey	Pappas	Stumpf	

So the bill passed and its title was agreed to.

**S.F. No. 955:** A bill for an act relating to commerce; regulating return of pledged goods and location restrictions of pawnbrokers; amending Minnesota Statutes 2010, sections 325J.08; 325J.13; repealing Minnesota Statutes 2010, section 325J.10.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 5, as follows:

Those who voted in the affirmative were:

Bakk	Carlson	DeKruif	Gimse	Hoffman
Benson	Chamberlain	Dibble	Goodwin	Howe
Berglin	Cohen	Fischbach	Hall	Ingebrigtsen
Bonoff	Dahms	Gazelka	Harrington	Jungbauer
Brown	Daley	Gerlach	Higgins	Kelash

Koch	Lourey	Nelson	Pederson	Sheran
Kruse	Magnus	Newman	Pogemiller	Sieben
Kubly	Marty	Nienow	Rest	Stumpf
Langseth	McGuire	Olson	Robling	Thompson
Latz	Metzen	Ortman	Rosen	Torres Ray
Lillie	Michel	Pappas	Scheid	Wiger
Limmer	Miller	Parry	Senjem	Wolf

Those who voted in the negative were:

Reinert	Skoe	Sparks	Tomassoni	Vandevveer
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So the bill passed and its title was agreed to.

**H.F. No. 664:** A bill for an act relating to elevators; modifying certain compliance provisions; amending Minnesota Statutes 2010, section 326B.175; proposing coding for new law in Minnesota Statutes, chapter 326B.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill 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 Orders of Business of Reports of Committees and Second Reading of Senate Bills.

## REPORTS OF COMMITTEES

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

**Senator Senjem from the Committee on Capital Investment, to which was referred**

**S.F. No. 187:** A bill for an act relating to capital improvements; modifying a previous appropriation related to the DR-1941 area; amending Laws 2010, Second Special Session chapter

1, article 1, section 9, subdivision 5.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2010, section 16A.641, subdivision 7, is amended to read:

Subd. 7. **Credit of proceeds.** (a) Proceeds of bonds issued under each law must be credited by the commissioner to a special fund, as provided in this subdivision.

(b) Accrued interest ~~and any premium~~ received on sale of the bonds must be credited to the state bond fund created by the Constitution, article XI, section 7. Any premium received on the sale of the bonds on or prior to December 1, 2012, must be credited to the state bond fund. Any premium received on the sale of the bonds after December 1, 2012, must be credited to either the bond proceeds fund where it is used to reduce the par amount of the bonds issued or the state bond fund.

(c) Except as otherwise provided by law, proceeds of state bonds issued under the Constitution, article XI, section 5, clause (a), must be credited to the bond proceeds fund established by section 16A.631.

(d) Proceeds of state highway bonds must be credited to the trunk highway fund under the Constitution, article XIV, section 6.

(e) Proceeds of bonds issued for programs of grants or loans to political subdivisions must be credited to special accounts in the bond proceeds fund or to special funds established by laws stating the purposes of the grants or loans, and the standards and criteria under which an executive agency is authorized to make them.

(f) Proceeds of refunding bonds must be credited to the state bond fund as provided in section 16A.66, subdivision 1.

(g) Proceeds of other bonds must be credited as provided in the law authorizing their issuance.

Sec. 2. Minnesota Statutes 2010, section 16A.642, subdivision 2, is amended to read:

Subd. 2. **Cancellation.** (a) If the commissioner determines that the purposes for which general obligation bonds of the state have been issued or for which general fund monies were appropriated are accomplished or abandoned, after consultation with the affected agencies, and there is a remaining authorization or appropriation for a specific project of \$500 or less, the commissioner may cancel the remaining authorization or appropriation for that project.

(b) If a premium received on the sale of bonds is credited to the bond proceeds fund, pursuant to section 16A.641, subdivision 7, paragraph (b), the corresponding bond authorization to which the premium is attributable must be reduced accordingly by the commissioner.

(c) The commissioner must notify the chairs of the senate Finance Committee and the house of representatives Capital Investment Committee of any bond authorizations or general fund appropriations canceled under this subdivision.

Sec. 3. Laws 2006, chapter 258, section 7, subdivision 3, as amended by Laws 2007, chapter

122, section 4, and Laws 2008, chapter 179, section 59, is amended to read:

**Subd. 3. Flood Hazard Mitigation Grants**

25,000,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

The commissioner shall determine project priorities as appropriate, based on need.

This appropriation includes money for the following projects:

- (a) Austin
- (b) Albert Lea
- (c) Browns Valley
- (d) Crookston
- (e) Canisteo Mine
- (f) Delano
- (g) East Grand Forks
- (h) Golden Valley
- (i) Grand Marais Creek
- (j) Granite Falls
- (k) Inver Grove Heights
- (l) Manston Slough
- (m) Oakport Township
- (n) Riverton Township
- (o) Roseau
- (p) Shell Rock Watershed District
- (q) St. Vincent
- (r) Wild Rice River Watershed District

For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the

money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Dawson, East Grand Forks, Granite Falls, Montevideo, Oakport Township, Roseau, St. Vincent, or Warren exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project. The local share for the St. Vincent dike may not exceed \$30,000.

Notwithstanding Minnesota Statutes, section 16A.642, this appropriation is available until December 31, 2011.

Sec. 4. Laws 2006, chapter 258, section 9, subdivision 5, is amended to read:

Subd. 5. **Grass Lake**

2,200,000

To acquire conservation easements, reroute County Ditch 23A, construct water control structures, and plant vegetation in order to restore the Grass Lake prairie wetland basin adjacent to the city of Willmar in Kandiyohi County. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2012.

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

Sec. 5. Laws 2006, chapter 258, section 16, subdivision 6, is amended to read:

Subd. 6. **Rail Service Improvement**

3,700,000

For the rail service improvement program, to be spent for the purposes set forth in Minnesota Statutes, section 222.50, subdivision 7.

(a) \$700,000 is for a grant to the McLeod County Railroad Authority to acquire land for and to design and construct a railroad switching yard facility in Glencoe.

This appropriation is not available until the commissioner determines that funds sufficient to complete the project are committed to the project from nonstate sources.

Notwithstanding Minnesota Statutes, section 16A.642, this appropriation and its corresponding bond authorization is available until December 31, 2014.

(b) \$1,000,000 is for a grant to the Minnesota Valley Regional Rail Authority to rehabilitate up to 33 miles of railroad track from Gibbon to Norwood-Young America. The commissioner may not make the grant until the commissioner has determined that the authority has obtained a commitment for at least \$495,000 in federal funds for the project. A grant under this paragraph is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

Sec. 6. Laws 2008, chapter 179, section 15, subdivision 8, is amended to read:

**Subd. 8. Southeastern Minnesota Regional Public Safety Training Center**

3,655,000  
2,955,000

Notwithstanding any law to the contrary, for a grant to Olmsted County to acquire land for, and to design, construct, furnish, and equip the Southeastern Minnesota Regional Public Safety Training Center in Olmsted County. The facility must include, but is not limited to, a live burn training simulator, a driving range, and a weapons training facility.

This appropriation or any portion of it is not available until when the commissioner has determined that at least an equal amount has been committed it has been matched, dollar-for-dollar, from nonstate sources.

**EFFECTIVE DATE.** This section is effective retroactively from December 27, 2007.

Sec. 7. Laws 2008, chapter 179, section 18, subdivision 6, as amended by Laws 2010, chapter 399, section 5, subdivision 6, is amended to read:

**Subd. 6. Hennepin County Medical Center**

820,000

For a grant to Hennepin County to predesign, design, construct, furnish, and equip ~~an outpatient clinic and a health education facility at Hennepin County Medical Center that includes teaching clinics and an education center.~~

Sec. 8. Laws 2008, chapter 179, section 19, subdivision 4, is amended to read:

**Subd. 4. Minneapolis Veterans Home Campus**

3,955,000

**Building 17 HVAC Replacement**1,655,000

~~To replace the sections of the campus-wide heating, ventilation, and air conditioning system that serve Building 17~~ To predesign, design, and replace heating, ventilation, and air conditioning systems serving the south wing of Building 17.

Sec. 9. Laws 2009, chapter 93, article 1, section 14, subdivision 3, is amended to read:

**Subd. 3. Veterans Cemeteries**

1,500,000

Of this amount, up to \$500,000 is to acquire land located in ~~Redwood County~~ southeastern, southwestern, and northeastern Minnesota for publicly owned veterans cemeteries, to be operated by the commissioner of veterans affairs. The commissioner also must seek donations of land for the cemeteries. The balance of the appropriation is to predesign and design the cemeteries. Federal reimbursement of design costs for each cemetery must be deposited in the state treasury and credited to a special account and is appropriated to the commissioner of veterans affairs to design the remaining cemeteries. Following completion of all legislatively authorized Minnesota state veterans cemeteries, final federal reimbursement of predesign and design costs is appropriated to the commissioner for asset preservation of veterans homes statewide, to be spent in accordance with Minnesota



Statutes, section 16B.307.

Sec. 10. Laws 2010, chapter 189, section 6, subdivision 2, is amended to read:

Subd. 2. **Alpha Building Demolition** 755,000 265,500

To demolish the Alpha Building.

Sec. 11. Laws 2010, chapter 189, section 6, subdivision 4, is amended to read:

Subd. 4. **Storage and Maintenance Building** 129,000 618,500

To design, construct, and equip a storage and maintenance building on the site of the demolished Alpha Building.

Sec. 12. Laws 2010, chapter 189, section 7, subdivision 20, is amended to read:

Subd. 20. **St. Mathias Trail Paving - Fort Ripley** 50,000

For a grant to the ~~city of Fort Ripley~~ township of St. Mathias to pave a trail in St. Mathias Park.

Sec. 13. Laws 2010, chapter 189, section 14, subdivision 3, is amended to read:

Subd. 3. **State Emergency Operations Center** 2,250,000

To the commissioner of administration to predesign and design a new state emergency operations center in Arden Hills.

The commissioner of administration must consult with the commissioner of public safety in the predesign and design. This appropriation is not available until the commissioner has reported to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance, capital investment, finance, and ways and means, how the Arden Hills site will be adequately accessible in the event of a disaster that adversely affects major transportation corridors.

Notwithstanding Minnesota Statutes, section 16B.31, subdivision 5, the commissioner of administration, at the request of the commissioner of public safety, may acquire land, utility and road easements, and any

other necessary right of access or use from the federal government or other applicable parties for the state emergency operations center proposed to be located in Arden Hills.

Sec. 14. Laws 2010, chapter 189, section 19, subdivision 4, is amended to read:

**Subd. 4. Minneapolis Veterans Home**

9,450,000  
11,750,000

~~To remodel building 16 to accommodate a domiciliary program, demolish the north wing of building 17, and design, construct, furnish, and equip up to a 72-bed single occupancy person-centered nursing care building, including site improvements and amenities for building and program support~~  
To predesign, design, construct, furnish, and equip the renovation of Building 16 to accommodate a domiciliary program, demolish the north wing of Building 17, predesign a new Building 17, and design, construct, furnish, and equip the north wing of the new Building 17, including site improvements and amenities for building and program support.

Sec. 15. Laws 2010, chapter 333, article 2, section 23, is amended to read:

**Sec. 23. PLANNING NEW VETERANS CEMETERIES.**

(a) The commissioner of veterans affairs shall determine a suitable site and plan for three new state veterans cemeteries, one to be located in northeastern Minnesota, one to be located in southeastern Minnesota, and one to be located in southwestern Minnesota. In determining the site for a cemetery, the commissioner shall consider available public land options and shall seek proposals for donated land from interested counties, local communities, civic organizations, veterans service organizations, and individuals.

(b) For determining the veterans cemetery site in southeastern Minnesota, the commissioner shall give priority consideration to land owned and proposed for donation by the county of Fillmore.

(c) The commissioner's planning process for a state veterans cemetery must include, at a minimum, the following actions:

- (1) determining the need for the cemetery;
- (2) investigating the availability of suitable land for the cemetery;
- (3) assessment of impacts of the cemetery;
- (4) encouragement of support from veteran service organizations and local governments; and

(5) preparation and submission of a preapplication for a grant from the United States Department of Veterans Affairs for commitment of funding for establishing the cemetery.

(d) By January 15, 2011, the commissioner shall report to the chair and ranking minority member of the house of representatives and senate committees having responsibility for veterans affairs with a report of the commissioner's progress in implementing this section."

Page 1, line 10, after "for" insert "publicly owned"

Page 1, after line 13, insert:

"Sec. 17. **2008 AUTHORIZATION REDUCED.**

The bond sale authorization in Laws 2008, chapter 179, section 15, subdivision 8, is reduced by \$700,000."

Page 1, line 15, delete "1" and insert "16"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after "modifying"

Page 1, line 3, delete everything before the semicolon and insert "previous appropriations; adding an option for the use of bond premiums; specifying a prioritized location for one veterans cemetery"

Amend the title numbers accordingly

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

## **SECOND READING OF SENATE BILLS**

S.F. No. 187 was read the second time.

## **RECESS**

Senator Koch 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.

## **APPOINTMENTS**

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

S.F. No. 86: Senators Rosen, Stumpf and Magnus.

H.F. No. 186: Senators Daley, Chamberlain and Reinert.

S.F. No. 1115: Senators Ingebrigtsen, Dahms, Skoe, Gazelka and Carlson.

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

### **MEMBERS EXCUSED**

Senator Hann was excused from the Session of today. Senator Fischbach was excused from the Session of today from 10:00 to 10:15 a.m. Senator Saxhaug was excused from the Session of today at 10:15 a.m. Senators Michel and Miller were excused from the Session of today from 10:45 to 11:15 a.m. Senator Rosen was excused from the Session of today from 10:45 to 11:30 a.m. Senator Olson was excused from the Session of today from 10:45 a.m. to 12:00 noon. Senator Ortman was excused from the Session of today from 11:45 a.m. to 12:30 p.m.

### **ADJOURNMENT**

Senator Koch moved that the Senate do now adjourn until 10:00 a.m., Saturday, May 14, 2011. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate