

## THIRD DAY

St. Paul, Minnesota, Monday, January 9, 2017

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

## CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Phil Shaw.

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

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

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

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 adoption by the House of the following Senate Concurrent Resolution, herewith returned:

**Senate Concurrent Resolution No. 1:** A Senate concurrent resolution relating to the adoption of temporary joint rules.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned January 5, 2017

Madam President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

**Senate Concurrent Resolution No. 2:** A Senate concurrent resolution relating to parking space in the capitol area for members of the Legislature and staff.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned January 5, 2017

Madam President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

**Senate Concurrent Resolution No. 3:** A Senate concurrent resolution relating to adjournment for more than three days.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned January 5, 2017

Madam President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted January 5, 2017

### FIRST READING OF HOUSE BILLS

The following bill was read the first time.

**H.F. No. 2:** A bill for an act relating to taxation; income, corporate franchise, and estates; conforming to federal changes; amending Minnesota Statutes 2016, sections 289A.02, subdivision 7; 290.01, subdivisions 19, 31; 290.0131, subdivision 10; 290.0133, subdivision 12; 290.0671, subdivision 1; 290A.03, subdivision 15; 291.005, subdivision 1.

Referred to the Committee on Taxes.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time.

**Senators Klein and Schoen introduced--**

**S.F. No. 30:** A bill for an act relating to capital investment; appropriating money for metropolitan cities inflow and infiltration grants; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Dzedzic, Dibble, and Champion introduced--**

**S.F. No. 31:** A bill for an act relating to capital investment; appropriating money to replace the pedestrian bike bridge over Interstate Highway 94 connecting Cedar-Riverside and Seward neighborhoods in Minneapolis; authorizing the issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Dzedzic, Dibble, and Champion introduced--**

**S.F. No. 32:** A bill for an act relating to capital investment; appropriating money to replace the 5th Street Southeast bridge over Interstate Highway 35W in Minneapolis; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Osmek, Miller, Benson, Kent, and Klein introduced--**

**S.F. No. 33:** A bill for an act relating to liquor; authorizing municipalities to allow off-sales on Sundays; amending Minnesota Statutes 2016, section 340A.504, subdivision 4.

Referred to the Committee on Commerce and Consumer Protection Finance and Policy.

**Senators Hoffman, Dahms, Newton, Ruud, and Abeler introduced--**

**S.F. No. 34:** A bill for an act relating to capital investment; appropriating money for restoration of the Champlin Mill Pond; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Hawj, Schoen, Senjem, and Klein introduced--**

**S.F. No. 35:** A bill for an act relating to capital investment; appropriating money for Battle Creek winter recreation area; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Hawj, Schoen, Senjem, and Klein introduced--**

**S.F. No. 36:** A bill for an act relating to capital investment; appropriating money for Pig's Eye Regional Park in St. Paul; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Hawj, Schoen, Senjem, and Klein introduced--**

**S.F. No. 37:** A bill for an act relating to capital investment; appropriating money for the Wakan Tipi Center in the Bruce Vento Nature Sanctuary; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Osmek, Pratt, Rest, Benson, and Mathews introduced--**

**S.F. No. 38:** A bill for an act relating to metropolitan government; providing for staggered terms of Metropolitan Council members; amending Minnesota Statutes 2016, section 473.123, subdivision 2a.

Referred to the Committee on Local Government.

**Senators Osmek; Newman; Anderson, B.; Anderson, P.; and Lang introduced--**

**S.F. No. 39:** A bill for an act relating to capital investment; appropriating money for certain marked U.S. Highway 12 projects; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Osmek, Pratt, Benson, Limmer, and Chamberlain introduced--**

**S.F. No. 40:** A bill for an act relating to the Metropolitan Council; requiring local approval of gubernatorial appointees to the Metropolitan Council; providing a method for local governments to remove a member of the Metropolitan Council; amending Minnesota Statutes 2016, section 473.123, subdivisions 3, 4.

Referred to the Committee on Local Government.

**Senators Osmek, Kent, Klein, Benson, and Chamberlain introduced--**

**S.F. No. 41:** A bill for an act relating to liquor; modifying off-sale intoxicating liquor sales; amending Minnesota Statutes 2016, section 340A.504, subdivision 4.

Referred to the Committee on Commerce and Consumer Protection Finance and Policy.

**Senator Hayden introduced--**

**S.F. No. 42:** A bill for an act relating to capital improvements; appropriating money for predesign of the renovation of the Minneapolis American Indian Center.

Referred to the Committee on Capital Investment.

**Senators Dzedzic, Dibble, Champion, and Hayden introduced--**

**S.F. No. 43:** A bill for an act relating to capital investment; appropriating money for renovation of public housing in Minneapolis; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Lourey introduced--**

**S.F. No. 44:** A bill for an act relating to state lands; authorizing the sale of certain state lands bordering public water in Pine County.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

**Senators Rest, Bakk, and Dzedzic introduced--**

**S.F. No. 45:** A bill for an act relating to financing of state and local government; making changes to property, individual income, corporate franchise, estate, sales and use, excise, petroleum and other fuel, gambling, tobacco, special, mineral, local, and other taxes and tax-related provisions; modifying local government aids and credits; amending county levy authority; exempting certain electric generation facility property and soccer stadium property from property tax; extending homestead value exclusion for spouses of qualifying deceased veterans; amending the state general levy; abating local property taxes in the Lake Mille Lacs area; establishing school building bond agricultural credit; establishing reimbursement for certain out-of-home placements of Indian children; establishing riparian protection aid; forgiving certain aid penalties; providing for federal tax conformity; modifying income tax credits; providing income tax credits; changing income tax modifications; modifying residency rules; modifying sales and use tax definitions; modifying sales and use tax collection requirements; modifying sales and use tax exemptions; providing for reimbursement from the Minnesota Sports Facilities Authority of certain sales and use taxes; allocating certain sales and use tax revenues; modifying and allowing certain local sales and use taxes; modifying provisions for gasoline used as a substitute for aviation gasoline; providing definitions and a tax rate for vapor products; modifying taconite tax distributions and deposits; providing for local development projects; modifying public finance provisions; transferring approval authority from the Iron Range Resources and Rehabilitation Board to the commissioner of Iron Range resources and rehabilitation; requiring the commissioner of Iron Range resources and rehabilitation to seek a recommendation from the board in certain circumstances; providing for transfer of ownership, eligibility, certification, and notification requirements for enrollment of land in the Sustainable Forest Incentive Act; modifying the budget reserve; providing a new markets grant program; providing a tax time savings grant program; providing civil and criminal penalties for sales suppression devices; allocating additional amounts to the border city enterprise zones; making clarifying and conforming changes; removing obsolete language; requiring reports; appropriating money; amending Minnesota Statutes 2016, sections 13.51, subdivision 2; 15.38, subdivision 7; 16A.152, subdivision 2; 69.021, subdivision 5; 116J.424; 127A.45, subdivisions 10, 13; 128C.24; 136A.129, subdivision 3; 136G.05, subdivision 10; 138.053; 216B.161, subdivision 1; 270.071, subdivisions 2, 7, 8, by adding a subdivision; 270.072, subdivisions 2, 3, by adding a subdivision; 270.12, by adding a subdivision; 270.82, subdivision 1; 270A.03, subdivision 5; 270B.14,

subdivision 1; 270C.30; 270C.33, subdivisions 5, 8; 270C.34, subdivision 2; 270C.347, subdivision 1; 270C.35, subdivision 3, by adding a subdivision; 270C.38, subdivision 1; 270C.445, by adding a subdivision; 270C.446, subdivision 5; 270C.72, subdivision 4; 270C.89, subdivision 1; 271.06, subdivisions 2, 7; 271.08, subdivision 1; 271.21, subdivision 2; 272.02, subdivisions 9, 10, by adding subdivisions; 272.0211, subdivision 1; 272.025, subdivision 1; 272.029, subdivisions 2, 4, by adding a subdivision; 272.0295, subdivision 4; 272.115, subdivision 2; 272.162; 273.061, subdivision 7; 273.08; 273.121, by adding a subdivision; 273.124, subdivision 13; 273.13, subdivisions 22, 34; 273.1392; 273.1393; 273.33, subdivisions 1, 2; 273.371; 273.372, subdivisions 1, 2, 4, by adding subdivisions; 274.01, subdivision 1; 274.13, subdivision 1; 274.135, subdivision 3; 275.025, subdivisions 1, 2, 4; 275.065, subdivisions 1, 3; 275.066; 275.07, subdivisions 1, 2; 275.08, subdivision 1b; 275.62, subdivision 2; 276.04, subdivision 2; 276.11, subdivision 1; 276.111; 276A.01, subdivisions 8, 17; 278.01, subdivision 1; 278.12; 278.14, subdivision 1; 279.01, subdivisions 1, 2, 3; 279.03, subdivision 2; 279.37, subdivision 2; 282.01, subdivisions 1a, 1d, 4; 282.261, subdivision 2; 282.38, subdivision 1; 287.2205; 289A.02, subdivision 7; 289A.08, subdivisions 11, 16, by adding a subdivision; 289A.09, subdivisions 1, 2; 289A.11, subdivision 1; 289A.12, subdivision 14; 289A.18, subdivision 1, by adding a subdivision; 289A.20, subdivision 2; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 2; 289A.38, subdivision 6; 289A.50, subdivision 7; 289A.60, subdivision 28, by adding a subdivision; 289A.63, by adding a subdivision; 290.01, subdivisions 7, 19, 31; 290.0131, subdivision 10; 290.0132, subdivisions 14, 21, by adding subdivisions; 290.0133, subdivision 12; 290.0134, subdivision 14; 290.06, subdivision 22; 290.067, subdivisions 1, 2b; 290.0671, subdivisions 1, 7; 290.0672, subdivision 1; 290.0674, subdivision 2, by adding a subdivision; 290.0677, subdivision 1a; 290.068, subdivision 2; 290.0685, subdivision 1; 290.0692, by adding a subdivision; 290.091, subdivision 2; 290.0922, subdivision 2; 290.17, subdivision 2; 290.31, subdivision 1; 290A.03, subdivisions 13, 15; 290A.19; 290C.01; 290C.02, subdivisions 1, 3, 6; 290C.03; 290C.04; 290C.05; 290C.055; 290C.07; 290C.08, subdivision 1; 290C.10; 290C.11; 290C.13, subdivision 6; 291.005, subdivision 1; 291.016, subdivisions 2, 3; 291.03, subdivisions 9, 11; 295.54, subdivision 2; 295.55, subdivision 6; 296A.01, subdivisions 12, 33, 42, by adding subdivisions; 296A.02, by adding a subdivision; 296A.07, subdivisions 1, 4; 296A.08, subdivision 2; 296A.09, subdivisions 1, 3, 5, 6; 296A.15, subdivisions 1, 4; 296A.17, subdivisions 1, 2, 3; 296A.18, subdivisions 1, 8; 296A.19, subdivision 1; 296A.22, subdivision 9; 296A.26; 297A.61, subdivisions 3, 10; 297A.66, subdivisions 1, 2, 4, by adding a subdivision; 297A.67, subdivision 7a, by adding subdivisions; 297A.68, subdivision 9; 297A.70, subdivisions 11, 14; 297A.71, by adding subdivisions; 297A.75, subdivisions 1, 2, 3; 297A.815, subdivision 3; 297A.82, subdivisions 4, 4a; 297D.02; 297E.02, subdivisions 3, 7; 297E.04, subdivision 1; 297E.05, subdivision 4; 297E.06, subdivision 1; 297F.01, subdivision 19, by adding subdivisions; 297F.05, subdivisions 1, 3, by adding subdivisions; 297F.09, subdivision 1; 297F.23; 297G.09, subdivision 1; 297G.22; 297H.04, subdivision 2; 297H.06, subdivision 2; 297I.05, subdivision 2; 297I.10, subdivisions 1, 3; 297I.30, by adding a subdivision; 297I.60, subdivision 2; 298.001, subdivision 8; 298.01, subdivision 4c; 298.22, subdivisions 1, 1a, 5a, 6, 8, 10, 11; 298.221; 298.2211, subdivision 3; 298.2213, subdivisions 4, 5, 6; 298.223, subdivisions 1, 2; 298.227; 298.24, by adding a subdivision; 298.28, subdivisions 3, 5, 7a, 9d; 298.292, subdivision 2; 298.296, subdivisions 1, 2, 4; 298.2961, subdivisions 2, 4; 298.298; 298.46, subdivision 2; 366.095, subdivision 1; 383B.117, subdivision 2; 410.32; 412.301; 469.034, subdivision 2; 469.101, subdivision 1; 469.169, by adding a subdivision; 469.1763, subdivisions 1, 2, 3; 469.178, subdivision 7; 469.319, subdivision 5; 473.39, by adding a subdivision; 473H.09; 475.58, subdivision 3b; 475.60, subdivision 2; 477A.013, by adding a subdivision; 477A.017, subdivisions 2, 3; 477A.03, subdivisions 2a, 2b; 477A.17; 477A.19, by adding subdivisions; 559.202, subdivision 2; 609.5316, subdivision 3; Laws 1980, chapter 511,

sections 1, subdivision 2, as amended; 2, as amended; Laws 1988, chapter 645, section 3, as amended; Laws 1991, chapter 291, article 8, section 27, subdivisions 3, as amended, 4, as amended, 5; Laws 1996, chapter 471, article 2, section 29, subdivisions 1, as amended, 4, as amended; article 3, section 51; Laws 1999, chapter 243, article 4, section 18, subdivision 1, as amended; Laws 2001, First Special Session chapter 5, article 3, section 86; Laws 2008, chapter 154, article 9, section 21, subdivision 2; Laws 2008, chapter 366, article 7, section 20; Laws 2009, chapter 88, article 2, section 46, subdivisions 1, as amended, 2, 3, as amended, 4, 5; article 5, section 17, as amended; Laws 2010, chapter 216, sections 12, as amended; 58, as amended; Laws 2014, chapter 308, article 1, section 14, subdivision 2; article 6, section 9; article 9, section 94; Laws 2016, chapter 187, section 5; Laws 2016, chapter 189, article 30, section 25, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 103C; 116J; 216B; 270C; 273; 289A; 290; 290B; 290C; 293; 477A; repealing Minnesota Statutes 2016, sections 272.02, subdivision 23; 281.22; 290.067, subdivisions 2, 2a; 290C.02, subdivisions 5, 9; 290C.06; 297F.05, subdivision 1a; 477A.20; Minnesota Rules, parts 8092.1400; 8092.2000; 8100.0700; 8125.1300, subpart 3.

Referred to the Committee on Taxes.

**Senator Little introduced--**

**S.F. No. 46:** A bill for an act relating to capital investment; appropriating money for water and drainage infrastructure in the city of New Trier; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Little introduced--**

**S.F. No. 47:** A bill for an act relating to capital investment; appropriating money for a grant to the city of Dennison for sewage treatment system improvements; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Little introduced--**

**S.F. No. 48:** A bill for an act relating to capital investment; appropriating money for the Byllesby Dam; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Newman introduced--**

**S.F. No. 49:** A bill for an act relating to real property; making miscellaneous changes to the filing of certificates of value, recording, registration, and other provisions affecting real estate; amending Minnesota Statutes 2016, sections 272.115, subdivision 1, by adding a subdivision; 507.0943; 508.06; 508.25; 508.29; 508.421, subdivision 1a; 508.47, subdivision 7; 508.671; 508.71, subdivision 3; 508.81; 508.82, subdivision 1; 508A.06; 508A.25; 508A.29; 508A.421, subdivision 1a; 508A.47, subdivision 7; 508A.71, subdivision 3; 508A.82, subdivision 1; 559.23.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

**Senator Newman introduced--**

**S.F. No. 50:** A bill for an act relating to real property; exempting certain trusts from reporting requirements; amending Minnesota Statutes 2016, section 500.24, subdivision 4.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

**Senator Ruud introduced--**

**S.F. No. 51:** A bill for an act relating to taxation; property; modifying the state general levy base; providing market value exclusions; amending Minnesota Statutes 2016, section 275.025, subdivisions 1, 4.

Referred to the Committee on Taxes.

**Senators Ruud and Eichorn introduced--**

**S.F. No. 52:** A bill for an act relating to capital investment; appropriating money for the Cuyuna County State Recreation Area; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Eken introduced--**

**S.F. No. 53:** A bill for an act relating to capital investment; appropriating money for a grant to Clay County to construct a new resource recovery campus; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senator Rest introduced--**

**S.F. No. 54:** A bill for an act relating to health; requiring a study and report on the efficacy of Masgutova neuro-sensory-motor and reflex integration.

Referred to the Committee on Health and Human Services Finance and Policy.

**Senator Benson introduced--**

**S.F. No. 55:** A bill for an act relating to health care; providing for verification of eligibility for premium assistance; providing that certain health plan rate data are public; amending Minnesota Statutes 2016, section 60A.08, subdivision 15.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

**Senator Benson introduced--**

**S.F. No. 56:** A bill for an act relating to health care coverage; providing a temporary program to help pay for health insurance premiums; modifying requirements for health maintenance organizations; modifying provisions governing health insurance; requiring reports; appropriating money; amending Minnesota Statutes 2016, sections 62D.02, subdivision 4; 62D.03, subdivision 1; 62D.05, subdivision 1; 62D.06, subdivision 1; 62D.19; 62E.02, subdivision 3; 62L.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 2016, sections 62D.12, subdivision 9; 62K.11.

Referred to the Committee on Health and Human Services Finance and Policy.

**Senators Benson, Housley, Newman, and Senjem introduced--**

**S.F. No. 57:** A bill for an act relating to transportation; capital investment; appropriating money for marked I-35W and Lake Drive interchange improvements and realignment of West Freeway Drive; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

**Senators Lourey, Hayden, Rest, and Wiklund introduced--**

**S.F. No. 58:** A bill for an act relating to health care; requiring the commissioner of human services to seek federal waivers to permit individuals whose income is greater than the income eligibility limit for MinnesotaCare to purchase coverage through MinnesotaCare through a separate MinnesotaCare purchase option.

Referred to the Committee on Health and Human Services Finance and Policy.

**Senators Lourey, Hayden, Rest, and Wiklund introduced--**

**S.F. No. 59:** A bill for an act relating to taxation; individual income; establishing a refundable health insurance premium tax credit; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

**Senators Lourey, Hayden, Rest, and Wiklund introduced--**

**S.F. No. 60:** A bill for an act relating to health; providing a premium subsidy for eligible individuals for calendar year 2017; appropriating money.

Referred to the Committee on Commerce and Consumer Protection Finance and Policy.

**MOTIONS AND RESOLUTIONS**

Senator Wiger moved that the names of Senators Marty and Carlson be added as co-authors to S.F. No. 10. The motion prevailed.

Senator Wiger moved that the name of Senator Marty be added as a co-author to S.F. No. 13. The motion prevailed.

**Senator Hayden introduced --**

**Senate Resolution No. 17:** A Senate resolution honoring the memory of Taylor Hayden.

Referred to the Committee on Rules and Administration.

**Senator Relph introduced --**

**Senate Resolution No. 18:** A Senate resolution honoring Betsy MacDonald for receiving the D2 Women's Basketball HERO of the Week award.

Referred to the Committee on Rules and Administration.

**MEMBERS EXCUSED**

Senators Anderson, P. and Franzen were excused from the Session of today.

**ADJOURNMENT**

Senator Gazelka moved that the Senate do now adjourn until 12:00 noon, Wednesday, January 11, 2017. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate