

1.1 **Senator Anderson from the Committee on Jobs, Energy and Community**
1.2 **Development, to which was referred**

1.3 **S.F. No. 2857:** A bill for an act relating to high pressure piping; classifying data
1.4 relating to bioprocess piping and equipment as nonpublic; including bioprocess piping
1.5 in the definition of high pressure piping; amending Minnesota Statutes 2004, sections
1.6 16B.61, subdivisions 2, 3; 326.461, subdivision 2; proposing coding for new law in
1.7 Minnesota Statutes, chapter 13.

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

1.9 Page 1, line 12, after "organisms" insert "for medical, research, or pharmaceutical
1.10 purposes"

1.11 Page 3, line 31, after "organisms" insert "for medical, research, or pharmaceutical
1.12 purposes"

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

1.15 
1.16
(Committee Chair)

1.17 March 15, 2006
1.18 (Date of Committee recommendation)

Senator Scheid introduced-

S.F. No. 2857: Referred to the Committee on Jobs, Energy and Community Development.

1.2 A bill for an act
1.3 relating to high pressure piping; classifying data relating to bioprocess piping
1.4 and equipment as nonpublic; including bioprocess piping in the definition of
1.5 high pressure piping; amending Minnesota Statutes 2004, sections 16B.61,
1.6 subdivisions 2, 3; 326.461, subdivision 2; proposing coding for new law in
Minnesota Statutes, chapter 13.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. [13.7911] BIOPROCESS PIPING AND EQUIPMENT DATA.

1.9 All data regarding the material production processes, including the bioprocess
1.10 system's structural design and layout, are classified as nonpublic data. Bioprocess piping
1.11 and equipment are limited to those used in the creation of a product utilizing living
organisms and meeting the most current requirements in the bioprocessing equipment
1.13 standard adopted by the American Society of Mechanical Engineers.

1.14 Sec. 2. Minnesota Statutes 2004, section 16B.61, subdivision 2, is amended to read:

1.15 Subd. 2. **Enforcement by certain bodies.** Under the direction and supervision of
1.16 the commissioner, the provisions of the code relating to electrical installations shall be
1.17 enforced by the State Board of Electricity, pursuant to the Minnesota Electrical Act, the
1.18 provisions relating to plumbing shall be enforced by the commissioner of health, the
1.19 provisions relating to high pressure steam piping and appurtenances, ammonia piping, and
1.20 bioprocess piping shall be enforced by the Department of Labor and Industry. Fees for
1.21 inspections conducted by the State Board of Electricity shall be paid in accordance with
the rules of the State Board of Electricity. Under direction of the commissioner of public
1.23 safety, the state fire marshal shall enforce the Minnesota Uniform Fire Code as provided
1.24 in chapter 299F. The commissioner, in consultation with the commissioner of labor and

2.1 industry, shall adopt amendments to the mechanical code portion of the State Building
2.2 Code to implement standards for process piping.

2.3 Sec. 3. Minnesota Statutes 2004, section 16B.61, subdivision 3, is amended to read:

2.4 Subd. 3. **Special requirements.** (a) **Space for commuter vans.** The code must
2.5 require that any parking ramp or other parking facility constructed in accordance with the
2.6 code include an appropriate number of spaces suitable for the parking of motor vehicles
2.7 having a capacity of seven to 16 persons and which are principally used to provide
2.8 prearranged commuter transportation of employees to or from their place of employment
2.9 or to or from a transit stop authorized by a local transit authority.

2.10 (b) **Smoke detection devices.** The code must require that all dwellings, lodging
2.11 houses, apartment houses, and hotels as defined in section 299F.362 comply with the
2.12 provisions of section 299F.362.

2.13 (c) **Doors in nursing homes and hospitals.** The State Building Code may not
2.14 require that each door entering a sleeping or patient's room from a corridor in a nursing
2.15 home or hospital with an approved complete standard automatic fire extinguishing system
2.16 be constructed or maintained as self-closing or automatically closing.

2.17 (d) **Child care facilities in churches; ground level exit.** A licensed day care center
2.18 serving fewer than 30 preschool age persons and which is located in a belowground space
2.19 in a church building is exempt from the State Building Code requirement for a ground
2.20 level exit when the center has more than two stairways to the ground level and its exit.

2.21 (e) **Child care facilities in churches; vertical access.** Until August 1, 1996, an
2.22 organization providing child care in an existing church building which is exempt from
2.23 taxation under section 272.02, subdivision 6, shall have five years from the date of initial
2.24 licensure under chapter 245A to provide interior vertical access, such as an elevator, to
2.25 persons with disabilities as required by the State Building Code. To obtain the extension,
2.26 the organization providing child care must secure a \$2,500 performance bond with the
2.27 commissioner of human services to ensure that interior vertical access is achieved by the
2.28 agreed upon date.

2.29 (f) **Family and group family day care.** Until the legislature enacts legislation
2.30 specifying appropriate standards, the definition of Group R-3 occupancies in the State
2.31 Building Code applies to family and group family day care homes licensed by the
2.32 Department of Human Services under Minnesota Rules, chapter 9502.

2.33 (g) **Enclosed stairways.** No provision of the code or any appendix chapter of the
2.34 code may require stairways of existing multiple dwelling buildings of two stories or
2.35 less to be enclosed.

3.1 (h) **Double cylinder dead bolt locks.** No provision of the code or appendix chapter
3.2 of the code may prohibit double cylinder dead bolt locks in existing single-family homes,
3.3 townhouses, and first floor duplexes used exclusively as a residential dwelling. Any
3.4 recommendation or promotion of double cylinder dead bolt locks must include a warning
3.5 about their potential fire danger and procedures to minimize the danger.

3.6 (i) **Relocated residential buildings.** A residential building relocated within or
3.7 into a political subdivision of the state need not comply with the State Energy Code or
3.8 section 326.371 provided that, where available, an energy audit is conducted on the
3.9 relocated building.

3.10 (j) **Automatic garage door opening systems.** The code must require all residential
3.11 buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82
3.12 and 325F.83.

3.13 (k) **Exit sign illumination.** For a new building on which construction is begun
3.14 on or after October 1, 1993, or an existing building on which remodeling affecting 50
3.15 percent or more of the enclosed space is begun on or after October 1, 1993, the code must
3.16 prohibit the use of internally illuminated exit signs whose electrical consumption during
3.17 nonemergency operation exceeds 20 watts of resistive power. All other requirements in
3.18 the code for exit signs must be complied with.

3.19 (l) **Exterior wood decks, patios, and balconies.** The code must permit the decking
3.20 surface and upper portions of exterior wood decks, patios, and balconies to be constructed
3.21 of (1) heartwood from species of wood having natural resistance to decay or termites,
3.22 including redwood and cedars, (2) grades of lumber which contain sapwood from species
3.23 of wood having natural resistance to decay or termites, including redwood and cedars, or
3.24 (3) treated wood. The species and grades of wood products used to construct the decking
3.25 surface and upper portions of exterior decks, patios, and balconies must be made available
3.26 to the building official on request before final construction approval.

3.27 (m) **Bioprocess piping and equipment.** All data regarding the material production
3.28 processes, including the bioprocess system's structural design and layout, are trade secret
3.29 information under section 13.37 and nonpublic data under section 13.7911. Bioprocess
3.30 piping and equipment are limited to those used in the creation of a product utilizing living
3.31 organisms and meeting the most current requirements set forth in the bioprocessing
3.32 equipment standards adopted by the American Society of Mechanical Engineers. No
3.33 permit fee for bioprocess piping may be imposed by municipalities under the State
3.34 Building Code, except as required under section 326.47, subdivision 1. Permits for
3.35 bioprocess piping shall be according to section 326.47 administered by the Department of
3.36 Labor and Industry.

4.1 Sec. 4. Minnesota Statutes 2004, section 326.461, subdivision 2, is amended to read:

4.2 Subd. 2. **High pressure piping.** "High pressure piping" means all high pressure
4.3 piping used in the installation of hot water or steam heating boilers, any systems of piping
4.4 hot water or other medium used for heating that exceed 30 p.s.i. gauge and 250 degrees
4.5 Fahrenheit, or any system of high pressure steam ~~or~~, ammonia piping, or bioprocess
4.6 piping, but shall not include any high pressure piping under the direct jurisdiction of
4.7 the United States.

1 Senator..... moves to amend S.F. No. 2857 as follows:

2 Page 1, line 12, after “organisms” insert “for medical, research, or pharmaceutical
3 purposes”

4 Page 3, line 31, after “organisms” insert “for medical, research, or pharmaceutical
5 purposes”



Bioprocess Piping Issues

SF2857/HF3185

Prepared by Mike Miller

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- SF2857/HF3185 is a bill relating to protecting the trade secrets of the bioprocess piping industry as well as the licensing of people who work on bioprocess piping.
- ABC supports the portion of the bill that protects the trade secrets of people constructing bioprocess plants and systems.
- The concern that Minnesota ABC has with the bill is in the definition of “bioprocess piping”. It reads that bioprocess piping is used in the “creation of a product utilizing living organisms and meeting the most current requirements in the bioprocessing equipment standard adopted by the American Society of Mechanical Engineers.” We feel that this could be misconstrued to be anything from wastewater to milk production, since “living organisms” is a very broad term that could apply to enzymes in dairy or other organisms transported by pipe.
- The licensing requirements of this bill put bioprocess pipefitting under the High Pressure piping exam. A person needs to pass both the steam and ammonia portions of the test in order to get a license. This means that it is feasible that an employee who has spent his or her whole career working in a milk plant or at a facility with a septic tank would have to take the high pressure pipe fitting exam, despite never working on steam or ammonia. It would be very difficult for this person to pass that exam, and even more difficult to retrain for a new career.
- Minnesota ABC feels that this bill’s unintended consequences could be a loss of jobs in rural Minnesota as fewer and fewer people are able to do required work on farms and in certain plants. It is very important that the legislature be more specific in the definition of bioprocess piping.
- It is recommended that the bill include the specific industries that the author is trying to regulate (pharmaceuticals, for example). Another recommendation would be to make this bill specific only to “Clean Rooms”, or the rooms that are sterilized specifically for the production of pharmaceuticals or other specific biotechnology products.

1.1 **Senator Anderson from the Committee on Jobs, Energy and Community**
1.2 **Development, to which was referred**

1.3 **S.F. No. 2656:** A bill for an act relating to energy; providing funding for low-income
1.4 heating assistance; appropriating money.

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

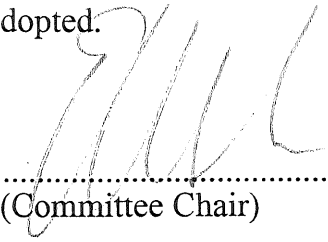
1.6 Page 1, line 8, delete everything after the period

1.7 Page 1, delete lines 9 and 10

1.8 Page 1, line 14, delete everything after "assistance"

1.9 Page 1, line 15, delete "young children"

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

1.12 
1.13
(Committee Chair)

1.14 March 15, 2006
1.15 (Date of Committee recommendation)

Senators Anderson; Johnson, D.E.; Metzen; Rest and Cohen introduced-

S.F. No. 2656: Referred to the Committee on Jobs, Energy and Community Development.

A bill for an act

relating to energy; providing funding for low-income heating assistance; appropriating money.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **EMERGENCY HEATING ASSISTANCE.**

\$25,000,000 is appropriated from the general fund to the commissioner of commerce for distribution to eligible households for home heating assistance during the 2006 calendar year. A residential household with gross income equal to or less than 60 percent of state median income, as published in the Federal Register, volume 70, number 32, on February 17, 2005, is eligible for home heating assistance from this appropriation. The commissioner must distribute funds to eligible households according to the formula developed for the distribution of the federal Low-Income Home Energy Assistance Program for fiscal year 2006. Priority must be given to households that did not receive federal energy assistance and that include senior citizens, persons with disabilities, or young children.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

- 1.1 Senator moves to amend S.F. No. 2656 as follows:
- 1.2 Page 1, line 8, delete everything after the period
- 3 Page 1, delete lines 9 and 10
- 1.4 Page 1, line 14, delete everything after "assistance"
- 1.5 Page 1, line 15, delete "young children"

Faith in Action

Energy Assistance Program

THE ISSUE

Home heating costs in Minnesota are expected to increase between 11 to 25 percent during the current 2005-2006 winter heating season—amounts in line with projections by the U. S. Department of Energy.

An increase of this magnitude will surely jeopardize the ability of thousands of Minnesota households to pay their home heating bills unless there is a correspondingly sufficient response.

There is a federal program in place—the Low Income Home Energy Assistance Program (LIHEAP)—that helps low-income households pay heating bills. State and local government, utilities, and nonprofit organizations also provide some heating assistance funds.

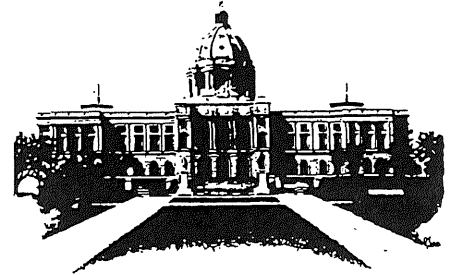
A household is eligible for assistance if its income is 50 percent or less of the state's median household income. For this heating season a four-person Minnesota household with income of \$38,367 or less qualifies for energy assistance.

There is also a Minnesota program in place that helps low-income families deal with heating costs. This is the Cold Weather Rule. Without the protection of the Cold Weather Rule, utilities can shut off the heat of households that fall behind in paying heating bills. Income-eligible customers (again, income that is 50% or less of state median income) who can't pay their bills must con-

tact their utility company to set up a mutually acceptable payment plan to pay current and past due bills. It is also possible for eligible households that have been disconnected before the heating season to be reconnected by contacting their utility company and setting up a mutually acceptable payment plan. Under the Reconnection Plan payment may be as much as ten percent of household income but not more.

For federal fiscal year 2005 (first of October 2004 to the end of July 2005), LIHEAP provided roughly \$85 million in energy assistance to Minnesota households. A predetermined formula earmarked two-thirds of this amount for basic heating assistance.¹ About 114,000 households received assistance. The amount of assistance varied by household size and income. The minimum amount was \$100, the maximum, \$1,200. Average assistance was \$400 per household.

Another 15 percent of LIHEAP funds are set aside for emergency situations.² Income-eligible households must be in imminent risk of being without a fuel source in order to get emergency energy assistance. Up to \$300 in assistance is available under most circumstances. These funds are the primary assistance for households that depend on delivered heating sources, a group that is not covered by the basic energy assistance component. For households that have met agreed upon payments but still have past due utility bills, up to \$500 is available



to cover the discrepancy. This applies to households that are participating in the emergency as well as the basic assistance component of the program.

The federal government released \$70 million for LIHEAP assistance for the current heating season, \$15 million less than the year before. The state is making up most of this reduction by shifting \$13 million to LIHEAP from a federal welfare (TANF) bonus the state received. These TANF funds can only be used by people eligible for TANF assistance. State officials say the average amount of assistance will be \$500 and will reach 126,000 households.³

The state's actions so far, however, are far from being sufficient to offset this year's heating cost increases and cannot stave off widespread hardship for low-income households. Nor does it address the broader issue of energy conservation. Conservation strategies must be employed to reduce Minnesota's vulnerability to price shocks.

For Jewish, Christian, and Islamic faith communities there are clear principles at stake that we share in common. We jointly affirm that,

having been created by God, all people and the earth that we depend upon have God-given worth and value.

Our religious traditions affirm that human dignity is diminished when people do not have sufficient opportunity to meet basic needs such as adequate food, heat or shelter. One part of assuring adequate opportunity for meeting such needs involves being good stewards of our energy sources. A second part is to structure our economy to ensure each person's ability to secure safe habitation.

CONCERNS

First, many low-income households that are eligible for assistance don't receive help because assistance is given out on a first-come, first-serve basis. With approximately 490,000 households⁴ that qualify and 126,000 getting basic assistance and 3,000 to 4,000 receiving emergency funds, there are about 360,000 households that are in very dire circumstances and face excruciating choices between heating their homes, paying their rent, having enough food to last through the month, and meeting other basic needs. And studies have shown that the choice of whether to "heat or eat" is a real one. When heating costs go up poor families reduce their spending on food by roughly the same amount. Children in families that receive energy assistance are less likely to be underweight than families that are eligible but receive no assistance because of funding limitations.³

The amount of assistance provided this year does not keep up at all with higher heating costs. Last year the average household received

energy assistance of \$400 and faced an additional out of pocket cost of \$455. This heating season the average household will receive energy assistance of \$500, but faces an additional out of pocket cost of \$495 because higher energy prices.

Households with income just above the eligibility level have been struggling for some time, too, juggling paying bills and meeting other needs. Their struggle just got worse. Their average heating costs are likely to increase \$122 to \$183 depending on fuel source.

Of course, the big increase in heating costs seriously affects people and organizations not only low-income households. For example, facing their own rising energy bills, non-profit organizations and congregations that serve vulnerable populations will find it difficult to serve as many people or provide as much help. Nursing homes will surely be affected, too, which could imperil the quality of care.

RECOMMENDATIONS

- Enact an emergency appropriation to provide adequate assistance for low-income households and services that are vital for individual and social well-being.
- Immediately suspend the state sales tax on heat conservation products such as weather stripping, insulation, high efficiency furnaces, and programmable thermostats.
- Reduce natural gas prices by doubling the amount that state-wide and municipal utilities must invest from 0.5 percent of their revenues to 1.0 percent

into conservation programs.

- Provide immediate incentives to individuals, businesses, and schools to invest in renewable and environmentally safe energy sources.

End Notes

¹Low Income Home Energy Assistance Program, State of Minnesota, LIHEAP Application, FFY 2006, p. 4. www.state.mn.us/externalDocs/Commerce/2006_State_Plan_060305122645_2006StatePlanDraft.

²Ibid.

³John Harvanko, Director of the Minnesota Energy Assistance Program, Minnesota Department of Commerce. November, 2005

⁴Department of Health and Human Services. Administration for Families and Children. Low Income Home Energy Program. Energy Program, www.acf.dhhs.gov/programs/liheap/data/cps_eligibles.html.

⁵J. Michele Bazie. "Steep Spike in Energy Costs Increases, Proposed LIHEAP Funding Level Falls Far Short of Need." Center on Budget and Policy Priorities, October 6, 2005.

3/15/06

The Joint Religious Legislative Coalition is a nonpartisan interfaith social justice organization founded in 1971. JRLC is sponsored by the Minnesota Council of Churches, the Minnesota Catholic Conference, the Jewish Community Relations Council of Minnesota and the Dakotas, and the Islamic Center of Minnesota.

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County	Number of HHDS	Number Paid by County	Percentage
Aitkin	2,397	761	31.75%
Anoka	13,675	2,743	20.06%
Becker	4,114	1,777	43.19%
Beltrami	5,494	2,759	50.22%
Benton	3,200	663	20.72%
Big Stone	892	272	30.49%
Blue Earth	5,743	1,162	20.23%
Brown	2,641	759	28.74%
Carlton	3,370	1,173	34.81%
Carver	2,861	381	13.32%
Cass	3,788	1,663	43.90%
Chippewa	1,559	518	33.23%
Chisago	2,541	479	18.85%
Clay	5,587	1,485	26.58%
Clearwater	1,316	648	49.24%
Cook	627	103	16.43%
Cottonwood	1,651	438	26.53%
Crow Wing	6,733	2,161	32.10%
Dakota	14,429	2,861	19.83%
Dodge	1,304	276	21.17%
Douglas	4,039	1,151	28.50%
Faribault	2,100	689	32.81%
Fillmore	2,465	595	24.14%
Freeborn	3,941	867	22.00%
Goodhue	3,391	479	14.13%
Grant	845	397	46.98%
Hennepin*	33,989	13,655	40.17%
Houston	1,890	458	24.23%
Hubbard	2,382	975	40.93%
Isanti	2,160	477	22.08%
Itasca	5,609	2,050	36.55%
Jackson	1,267	324	25.57%
Kanabec	1,629	647	39.72%
Kandiyohi	4,410	1,127	25.56%
Kittson	724	272	37.57%
Koochiching	1,968	582	29.57%
Lac qui Parle	1,121	319	28.46%
Lake	1,199	243	20.27%
Lake of the Woods	633	199	31.44%
Le Sueur	2,145	479	22.33%
Lincoln	968	241	24.90%
Lyon	2,742	613	22.36%
Mahnomen	836	572	68.42%
Marshall	1,339	456	34.06%
Martin	2,728	773	28.34%
McLeod	2,761	428	15.50%
Meeker	2,201	517	23.49%
Mille Lacs	2,651	792	29.88%
Morrison	3,929	884	22.50%
Mower	4,390	1,080	24.60%
Murray	1,144	364	31.82%

Nicollet	2,058	492	23.91%
Nobles	2,595	742	28.59%
Norman	1,059	381	35.98%
Olmsted	8,264	1,851	22.40%
Otter Tail	7,350	2,216	30.15%
Pennington	1,835	539	29.37%
Pine	3,024	1,028	33.99%
Pipestone	1,423	471	33.10%
Polk	3,998	1,485	37.14%
Pope	1,434	460	32.08%
Ramsey	43,580	8,587	19.70%
Red Lake	616	212	34.42%
Redwood	1,905	431	22.62%
Renville	1,778	605	34.03%
Rice	3,735	570	15.26%
Rock	1,111	251	22.59%
Roseau	1,573	571	36.30%
Scott	3,294	593	18.00%
Sherburne	3,032	568	18.73%
Sibley	1,541	394	25.57%
St. Louis	25,640	6,189	24.14%
Stearns	11,718	2,186	18.66%
Steele	2,579	502	19.46%
Stevens	1,313	263	20.03%
Swift	1,389	523	37.65%
Todd	3,580	1,322	36.93%
Traverse	648	254	39.20%
Wabasha	1,927	310	16.09%
Wadena	2,295	910	39.65%
Waseca	1,512	436	28.84%
Washington	6,949	1,243	17.89%
Watsonwan	1,350	383	28.37%
Wilkin	767	248	32.33%
Winona	5,367	1,115	20.78%
Wright	5,028	1,097	21.82%
Yellow Medicine	1,468	439	29.90%
*Minneapolis	46,001		
Grand Total	402,254	95,654	23.78%

Minnesota Energy Assistance Program Information

Income-eligible households 402,254 (As of February 8, 2006)	Number of LIHEAP recipients 95,654	Percentage 24%
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Households assisted	February 21, 2006 100,773	February 21, 2005 88,503
Annual	2006 146,000 (projected)	2005 117,648 (29.22% of income-eligible)

If we reach 146,000 households this year, approximately 36% of income-eligible households will receive assistance.

LIHEAP funding level (federal)	2002-03	2003-04	2004-05	2005-06
State (TANF)	\$77.5	\$71.5	\$84	\$81.6
Average grant	\$408	\$445	\$404	\$500

	2004-05 costs	2005-06 increases*	2005-06 costs
Natural gas	\$870	18.4%	\$1,030
Heating Oil	\$921	20.5%	\$1,110
Propane	\$1,132	10.9%	\$1,255
Electricity	\$1,075	1.9%	\$1,095

*Fuel price increases (Midwest from Department of Energy, Energy Information Administration)

State supplements (examples)

VA	\$18 million to supplement \$30 million in federal funding
NM	\$25.5 million (doubled the funding level for the program)
OH	\$75 million
GA	\$6 million
MI	\$41 million
WI	\$16 million
KA	\$5 million
WA	\$7.6 million

**Senate Counsel, Research,
and Fiscal Analysis**

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State of Minnesota

S.F. No. 2618 - Care Giver Employment Leave

Author: Senator Sheila M. Kiscaden

Prepared by: John C. Fuller, Senate Counsel (651/296-3914)

Date: March 13, 2006



S.F. No. 2618 contains two proposals related to care giving for family members. Section 1 relates to providing employment leave for family care givers and is concerned with the jurisdiction of the Jobs Committee. Section 2 creates an internet-based caregiver support program to be developed and implemented by the Board of Aging and is not directly in the jurisdiction of the Jobs Committee.

Section 1 expands the current law which provides that an employee may use personal sick leave benefits provided by an employer to care for the employee's child. Section 1 expands the leave to include care for a spouse, sibling, parent, grandparent, or stepparent.

JCF:cs

1.1 **Senator Anderson from the Committee on Jobs, Energy and Community**
 1.2 **Development, to which was re-referred**

1.3 **S.F. No. 2618:** A bill for an act relating to state government; modifying use of
 1.4 personal sick leave benefits; establishing an Internet-based caregiver support program;
 1.5 appropriating money; amending Minnesota Statutes 2004, sections 181.9413; 256B.0917,
 1.6 by adding a subdivision.

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

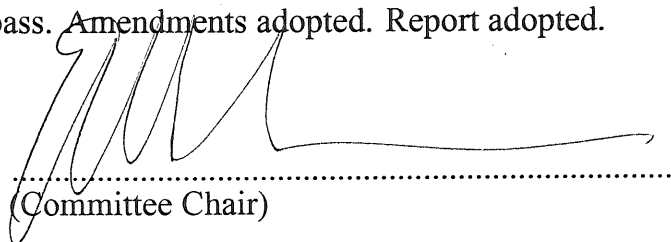
1.8 Page 1, line 12, delete "or" and after "stepparent" insert ", or other dependant
 1.9 residing in the employee's household"

1.10 Page 1, delete section 2

1.11 Page 2, delete section 3

1.12 Amend the title accordingly

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



.....
 (Committee Chair)

1.16 March 15, 2006

1.17 (Date of Committee recommendation)

Senator Kiscaden introduced—

S.F. No. 2618: Referred to the Committee on State and Local Government Operations.

A bill for an act

relating to state government; modifying use of personal sick leave benefits; establishing an Internet-based caregiver support program; appropriating money; amending Minnesota Statutes 2004, sections 181.9413; 256B.0917, by adding a subdivision.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2004, section 181.9413, is amended to read:

181.9413 SICK OR INJURED CHILD CARE LEAVE BENEFITS; USE TO CARE FOR CERTAIN RELATIVES.

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, spouse, sibling, parent, grandparent, or stepparent for such reasonable periods as the employee's attendance ~~with the child~~ may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

(b) For purposes of this section, "personal sick leave benefits" means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to sick leave used on or after that date.

Sec. 2. Minnesota Statutes 2004, section 256B.0917, is amended by adding a subdivision to read:

2.1 Subd. 6a. Internet-based caregiver support program. The Minnesota Board on
2.2 Aging shall develop and implement an Internet-based caregiver support program. The
2.3 goal of the program shall be to provide family caregivers with the information and tools
2.4 needed to self-manage, plan, purchase, coordinate, monitor, and evaluate the day-to-day
2.5 activities and care outcomes of family members to whom they provide care. The program
2.6 must complement Internet-based information services that are currently available. The
2.7 program must include the following components:

2.8 (1) direct connectivity to statewide systems, including, but not limited to, Senior
2.9 LinkAge Line, MinnesotaHelp.info, RxConnect, and long-term care consultation and to
2.10 vendors and providers of goods and services, including, but not limited to, respite care,
2.11 coach services, pharmaceutical vendors, medical supply vendors, grocers, personal care
2.12 vendors, and electronic assistive technology vendors;

2.13 (2) access to online resources, including connectivity to daily living and clinical
2.14 monitoring devices and audio and visual contact between the care recipient, the caregiver,
2.15 services providers, and others for tracking or conducting service visits, care meetings, and
2.16 other service provisions;

2.17 (3) message boards related to caregiver news, information, and events;

2.18 (4) data collection, including surveys, and reporting and registration functions as
2.19 required by state and federal programs; and

2.20 (5) an individual data profile accessible by designated parties to view, add, share, or
2.21 edit information as needed to support informal caregiving.

2.22 **Sec. 3. APPROPRIATION.**

2.23 \$100,000 is appropriated from the general fund to the commissioner of human
2.24 services in fiscal year 2007 for the purposes of section 2.

Minnesota – North Dakota
www.alzmdak.org
1-800-232-0851 24/7



March 14, 2006

Metro Regional Center
4550 W 77th Street
Suite 200
Minneapolis, MN 55435

1-800-232-0851
952-830-0512
952-830-0513 fax

The Honorable Sheila Kiscaden
Chair, State Government Budget Division
325 State Capitol
St. Paul, MN 55155

Dear Senator Kiscaden:

The Alzheimer's Association thanks you for being the Chief Author of SF2618, a bill to bring Minnesota's family leave law in line with the reality that caregiving is a lifespan issue. No longer is it a rarity for one individual to care for children, later care for a parent with a chronic illness, and later care for a spouse at the end of life.

This bill responds to the struggles of Alzheimer families. A joint report issued by the National Alliance for Caregiving and the Alzheimer's Association (2004) documented that the majority of Alzheimer caregivers work full or part time. Two-thirds of working caregivers reported that they missed work because of caregiving responsibilities. Of those, 14% gave up their jobs or chose early retirement; 3% cut back on their work hours or took a less demanding job; 8% turned down a promotion; and 7% lost job benefits.

The pressures and frustrations experienced by caregivers are far-reaching. From a public policy perspective, failure to enact laws that respond to the needs and contributions of family caregivers means that more of the cost of caring for chronically ill adults will fall on the already strained Medicaid program.

We encourage lawmakers to act this year on updating the family leave law and expanding the state's internet-based supports for families who are the backbone of our long-term care delivery system. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Jane Ochrymowycz".

Jane Ochrymowycz
Secretary, Board of Directors
Chair, Public Policy Committee

Northern Minnesota Office
Jordan Building
424 W Superior Street
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701-277-9757
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Bismarck, ND 58504
701-258-4933
701-258-4914 fax

Hello Senator Kiscaden:

On behalf of the Minnesota Governor's Council on Developmental Disabilities, we are writing to offer our support for S.F. 2565 which changes the definition of caregiver. As you know, we have daily contact with people with developmental disabilities and families who need respite care, personal support, and assistance to stay in the family home. This assistance can be provided by a variety of family members. We believe family support is defined as "whatever it takes to keep a family together." S.F. 2565 makes that definition a reality.

Thank you again for all that you do on behalf of people with disabilities.

Sincerely,

Colleen Wieck, Executive Director
MN Governor's Council on Developmental Disabilities

**Senate Counsel, Research,
and Fiscal Analysis**

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
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JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

S.F. No. 2654 - Veterans Protections (first engrossment)

Author: Senator Jim Vickerman

Prepared by: John C. Fuller, Senate Counsel (651/296-3914) *JCF*

Date: March 15, 2006

This bill contains a variety of benefits to veterans and their family members. Sections 1 to 4 are squarely in the jurisdiction of the Committee on Jobs, Energy and Community Development. The rest of the bill will be briefly identified below but not thoroughly discussed.

Section 1, subdivision 2, requires an employer to grant an unpaid leave to an employee whose parent, child, or spouse has been killed or injured while in active service with the United States armed services. A 12-week time limit is placed on the leave. The leave must be used to attend to the injured soldier or for the time necessary to attend services for a deceased soldier.

“Employee” is defined to include independent contractors. “Employer” is defined to include a public or private employer having one or more employees.

Section 2 creates an employment leave for a grandparent, parent, legal guardian, grandchild, child, spouse, fiancé, or fiancée to attend ceremonies to send off or welcome home a soldier mobilized for war or a national emergency. The leave need not be granted if it would unduly disrupt an employer’s operations. The leave is for the time necessary to attend the ceremony.

Sections 3 and 4 repeat the rights of an employee granted under sections 1 and 2 in another section of the statutes where various other soldier protections are listed.

Section 5 requires the establishment of veterans assistance offers at public institutions of higher education.

Section 6 grants a variety of benefits to veterans related to higher education. These include credit recognition of military training, resident tuition status, and the ability to delay payment of tuition when related to a delay in receipt of certain benefits.

Section 7 provides a subtraction for state income tax purposes of certain service-related pensions.

Section 8 is a technical amendment related to the new subtraction proposed by section 7.

Section 9 is a series of appropriations to provide various veterans benefits and services.

JCF:cs

1.1 **Senator Anderson from the Committee on Jobs, Energy and Community**
1.2 **Development, to which was re-referred**

1.3 **S.F. No. 2654:** A bill for an act relating to the military; requiring leaves of
1.4 absence for the immediate family members of a seriously injured or killed member
1.5 of the armed forces; requiring leaves for immediate family members to attend military
1.6 ceremonies; providing for and funding certain programs benefiting veterans; creating
1.7 an individual income tax subtraction for military pensions; requiring higher education
1.8 veterans assistance offices; requiring educational fairness; appropriating money; amending
1.9 Minnesota Statutes 2005 Supplement, sections 192.502, by adding subdivisions; 290.01,
1.10 subdivision 19b; 290.091, subdivision 2; proposing coding for new law in Minnesota
1.11 Statutes, chapters 181; 197.

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

1.13 Page 1, line 16, delete "subdivision 5" and insert "subdivisions 5b and 5c"

1.14 Page 1, line 17, delete everything after the first "person"

1.15 Page 1, line 18, delete "independent contractor"

1.16 Page 1, line 23, delete everything after "person's" and insert "grandparent, parent,
1.17 legal guardian, sibling, child, grandchild, spouse, fiance, or fiancee."

1.18 Page 1, line 27, delete "12 weeks" and insert "five working days"

1.19 Page 2, after line 10, insert:

1.20 "Subd. 5. Posting of law. The Department of Labor and Industry shall develop,
1.21 with the assistance of interested business and veteran's organizations, an educational
1.22 poster stating employees' rights under this section. The department shall make the poster
1.23 available, upon request, to employers for posting on the employer's premises.

1.24 Subd. 6. Individual remedies. In addition to any other remedies provided by law, a
1.25 person injured by a violation of this section may bring a civil action to recover any and all
1.26 damages recoverable at law, together with costs and disbursements, including reasonable
1.27 attorney fees, and may receive injunctive and other equitable relief as determined by
1.28 a court."

1.29 Page 2, line 14, delete everything after the first "person"

1.30 Page 2, line 15, delete "independent contractor"

1.31 Page 2, line 22, delete "Unless the leave would unduly disrupt the"

1.32 Page 2, line 23, delete "operations of the employer, an" and insert "An"

1.33 Page 2, line 27, after the period, insert "The leave required by this subdivision
1.34 shall not exceed one day."

1.35 Amend the title accordingly

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

1.38
1.39 (Committee Chair)

1.40 March 15, 2006
1.41 (Date of Committee recommendation)

A bill for an act

relating to the military; requiring leaves of absence for the immediate family members of a seriously injured or killed member of the armed forces; requiring leaves for immediate family members to attend military ceremonies; providing for and funding certain programs benefiting veterans; creating an individual income tax subtraction for military pensions; requiring higher education veterans assistance offices; requiring educational fairness; appropriating money; amending Minnesota Statutes 2005 Supplement, sections 192.502, by adding subdivisions; 290.01, subdivision 19b; 290.091, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 181; 197.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [181.947] LEAVE FOR IMMEDIATE FAMILY MEMBERS OF MILITARY PERSONNEL INJURED OR KILLED IN ACTIVE SERVICE.

Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

(b) "Active service" has the meaning given in section 190.05, subdivision 5.

(c) "Employee" means a person, independent contractor, or person working for an independent contractor who performs services for compensation, in whatever form, for an employer.

(d) "Employer" means a person or entity located or doing business in this state and having one or more employees, and includes the state and all political or other governmental subdivisions of the state.

(e) "Immediate family member" means a person's parent, child, or spouse.

Subd. 2. Unpaid leave required. An employer must grant a leave of absence without pay to an employee whose immediate family member, as a member of the United States armed forces, has been injured or killed while engaged in active service. The length of the leave shall be determined by the employee, but may not exceed 12 weeks, unless

2.1 agreed to by the employer. The purpose of the leave is to attend to an injured immediate
2.2 family member or to attend services for and attend to the affairs of an immediate family
2.3 member who has been killed.

2.4 Subd. 3. Notice. An employee must give as much notice to the employee's employer
2.5 as practicable of the employee's intent to exercise the leave guaranteed by this section.

2.6 Subd. 4. Relationship to other leave. The length of leave provided under this
2.7 section may be reduced by any period of paid leave provided by the employer. Nothing
2.8 in this section prevents an employer from providing leave benefits in addition to those
2.9 provided in this section or otherwise affects an employee's rights with respect to other
2.10 employment benefits.

2.11 **Sec. 2. [181.948] LEAVE TO ATTEND MILITARY CEREMONIES.**

2.12 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms
2.13 have the meaning given to them in this subdivision.

2.14 (b) "Employee" means a person, independent contractor, or person working for an
2.15 independent contractor who performs services for compensation, in whatever form, for
2.16 an employer.

2.17 (c) "Employer" means a person or entity located or doing business in this state
2.18 and having one or more employees, and includes the state and all political or other
2.19 governmental subdivisions of the state.

2.20 (d) "Immediate family member" means a person's grandparent, parent, legal
2.21 guardian, sibling, child, grandchild, spouse, fiance, or fiancée.

2.22 Subd. 2. Unpaid leave required. Unless the leave would unduly disrupt the
2.23 operations of the employer, an employer shall grant a leave of absence without pay
2.24 to an employee for the actual time necessary for an employee to attend a send-off or
2.25 homecoming ceremony for an immediate family member who, as a member of the United
2.26 States armed forces, has been mobilized for active service in support of a war or other
2.27 national emergency.

2.28 **Sec. 3. Minnesota Statutes 2005 Supplement, section 192.502, is amended by adding a**
2.29 **subdivision to read:**

2.30 Subd. 3. Unpaid leave to attend military ceremonies. Employees are entitled
2.31 to unpaid leave, as provided in section 181.948, to attend the send-off or homecoming
2.32 ceremony of an immediate family member who, as a member of the United States
2.33 armed forces, has been mobilized for active service in support of a war or other national
2.34 emergency.

3.1 Sec. 4. Minnesota Statutes 2005 Supplement, section 192.502, is amended by adding a
3.2 subdivision to read:

3.3 **Subd. 4. Unpaid leave for families of injured or deceased military members.**
3.4 Employees are entitled to unpaid leave, as provided in section 181.947, when an
3.5 immediate family member, as a member of the United States armed forces, has been
3.6 injured or killed while engaged in active service.

3.7 Sec. 5. **[197.585] HIGHER EDUCATION VETERANS ASSISTANCE OFFICES.**

3.8 Each campus of the University of Minnesota and each institution within the
3.9 Minnesota State Colleges and Universities system shall provide adequate space for a
3.10 veterans assistance office to be administered by the commissioner of veterans affairs, and
3.11 each private college and university in Minnesota is encouraged to provide adequate space
3.12 for a veterans assistance office to be administered by the commissioner of veterans affairs.
3.13 The veterans assistance office must provide information and assistance to veterans who
3.14 are students or family members of students at the school regarding the availability of
3.15 state, federal, local, and private resources.

3.16 Sec. 6. **[197.775] HIGHER EDUCATION FAIRNESS.**

3.17 **Subdivision 1. Definitions.** (a) The definitions in this subdivision apply to this
3.18 section.

3.19 (b) "Commissioner" means the commissioner of veterans affairs.

3.20 (c) "State college or university" means a unit of the University of Minnesota or
3.21 Minnesota State Colleges and Universities.

3.22 **Subd. 2. Recognition of courses.** (a) Minnesota State Colleges and Universities
3.23 must recognize courses and award educational credits for courses that were part of a
3.24 veteran's military training or service if the courses meet the standards of the American
3.25 Council on Education or equivalent standards for awarding academic credits.

3.26 (b) The University of Minnesota and private colleges and universities in Minnesota
3.27 are encouraged to recognize courses and award educational credits for courses that were
3.28 part of a veteran's military training or service if the courses meet the standards of the
3.29 American Council on Education or equivalent standards for awarding academic credits.

3.30 **Subd. 3. Tuition status.** A state college or university must treat a veteran as a
3.31 Minnesota resident for purposes of determining the veteran's undergraduate tuition rate,
3.32 and must treat a veteran as a Minnesota resident for purposes of determining the veteran's
3.33 graduate school tuition rate if the veteran was a Minnesota resident on entering military

4.1 service and starts attending the state college or university graduate program within two
4.2 years of completing military service.

4.3 Subd. 4. Delayed payment of tuition. A state college or university may not assess
4.4 late fees or other late charges for veterans who are eligible and have applied for federal
4.5 educational assistance but have not yet received it, nor may it prevent these students from
4.6 registering for a subsequent term because of outstanding tuition charges that arise from
4.7 delayed federal payments. The state college or university may request without delay
4.8 the amount of tuition above expected federal educational assistance and may require
4.9 payment of the full amount of tuition owed by the veteran within 30 days of receipt of the
4.10 expected federal educational assistance.

4.11 Sec. 7. Minnesota Statutes 2005 Supplement, section 290.01, subdivision 19b, is
4.12 amended to read:

4.13 Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates,
4.14 and trusts, there shall be subtracted from federal taxable income:

4.15 (1) net interest income on obligations of any authority, commission, or
4.16 instrumentality of the United States to the extent includable in taxable income for federal
4.17 income tax purposes but exempt from state income tax under the laws of the United States;

4.18 (2) if included in federal taxable income, the amount of any overpayment of income
4.19 tax to Minnesota or to any other state, for any previous taxable year, whether the amount
4.20 is received as a refund or as a credit to another taxable year's income tax liability;

4.21 (3) the amount paid to others, less the amount used to claim the credit allowed under
4.22 section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten
4.23 to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and
4.24 transportation of each qualifying child in attending an elementary or secondary school
4.25 situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a
4.26 resident of this state may legally fulfill the state's compulsory attendance laws, which
4.27 is not operated for profit, and which adheres to the provisions of the Civil Rights Act
4.28 of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or
4.29 tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause,
4.30 "textbooks" includes books and other instructional materials and equipment purchased
4.31 or leased for use in elementary and secondary schools in teaching only those subjects
4.32 legally and commonly taught in public elementary and secondary schools in this state.
4.33 Equipment expenses qualifying for deduction includes expenses as defined and limited in
4.34 section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional
4.35 books and materials used in the teaching of religious tenets, doctrines, or worship, the

5.1 purpose of which is to instill such tenets, doctrines, or worship, nor does it include books
5.2 or materials for, or transportation to, extracurricular activities including sporting events,
5.3 musical or dramatic events, speech activities, driver's education, or similar programs. For
5.4 purposes of the subtraction provided by this clause, "qualifying child" has the meaning
5.5 given in section 32(c)(3) of the Internal Revenue Code;

5.6 (4) income as provided under section 290.0802;

5.7 (5) to the extent included in federal adjusted gross income, income realized on
5.8 disposition of property exempt from tax under section 290.491;

5.9 (6) to the extent not deducted in determining federal taxable income by an individual
5.10 who does not itemize deductions for federal income tax purposes for the taxable year, an
5.11 amount equal to 50 percent of the excess of charitable contributions over \$500 allowable
5.12 as a deduction for the taxable year under section 170(a) of the Internal Revenue Code and
5.13 under the provisions of Public Law 109-1;

5.14 (7) for taxable years beginning before January 1, 2008, the amount of the federal
5.15 small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code
5.16 which is included in gross income under section 87 of the Internal Revenue Code;

5.17 (8) for individuals who are allowed a federal foreign tax credit for taxes that do not
5.18 qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover
5.19 of subnational foreign taxes for the taxable year, but not to exceed the total subnational
5.20 foreign taxes reported in claiming the foreign tax credit. For purposes of this clause,
5.21 "federal foreign tax credit" means the credit allowed under section 27 of the Internal
5.22 Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed
5.23 under section 904(c) of the Internal Revenue Code minus national level foreign taxes to
5.24 the extent they exceed the federal foreign tax credit;

5.25 (9) in each of the five tax years immediately following the tax year in which an
5.26 addition is required under subdivision 19a, clause (7), or 19c, clause (15), in the case
5.27 of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth
5.28 of the delayed depreciation. For purposes of this clause, "delayed depreciation" means
5.29 the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or
5.30 subdivision 19c, clause (15), in the case of a shareholder of an S corporation, minus the
5.31 positive value of any net operating loss under section 172 of the Internal Revenue Code
5.32 generated for the tax year of the addition. The resulting delayed depreciation cannot be
5.33 less than zero;

(10) job opportunity building zone income as provided under section 469.316;

5.35 (11) the amount of compensation paid to members of the Minnesota National Guard
5.36 or other reserve components of the United States military for active service performed

6.1 in Minnesota, excluding compensation for services performed under the Active Guard
6.2 Reserve (AGR) program. For purposes of this clause, "active service" means (i) state
6.3 active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally
6.4 funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal
6.5 active service as defined in section 190.05, subdivision 5c, but "active service" excludes
6.6 services performed exclusively for purposes of basic combat training, advanced individual
6.7 training, annual training, and periodic inactive duty training; special training periodically
6.8 made available to reserve members; and service performed in accordance with section
6.9 190.08, subdivision 3;

6.10 (12) the amount of compensation paid to Minnesota residents who are members
6.11 of the armed forces of the United States or United Nations for active duty performed
6.12 outside Minnesota;

6.13 (13) an amount, not to exceed \$10,000, equal to qualified expenses related to a
6.14 qualified donor's donation, while living, of one or more of the qualified donor's organs
6.15 to another person for human organ transplantation. For purposes of this clause, "organ"
6.16 means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow;
6.17 "human organ transplantation" means the medical procedure by which transfer of a human
6.18 organ is made from the body of one person to the body of another person; "qualified
6.19 expenses" means unreimbursed expenses for both the individual and the qualified donor
6.20 for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses
6.21 may be subtracted under this clause only once; and "qualified donor" means the individual
6.22 or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An
6.23 individual may claim the subtraction in this clause for each instance of organ donation for
6.24 transplantation during the taxable year in which the qualified expenses occur;

6.25 (14) in each of the five tax years immediately following the tax year in which an
6.26 addition is required under subdivision 19a, clause (8), or 19c, clause (16), in the case of a
6.27 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the
6.28 addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (16), in the
6.29 case of a shareholder of a corporation that is an S corporation, minus the positive value of
6.30 any net operating loss under section 172 of the Internal Revenue Code generated for the
6.31 tax year of the addition. If the net operating loss exceeds the addition for the tax year, a
6.32 subtraction is not allowed under this clause;

6.33 (15) to the extent included in federal taxable income, compensation paid to a
6.34 nonresident who is a service member as defined in United States Code, title 10, section
6.35 101(a)(5), for military service as defined in the Service Member Civil Relief Act, Public
6.36 Law 108-189, section 101(2); ~~and~~

7.1 (16) international economic development zone income as provided under section
7.2 469.325; and

7.3 (17) to the extent included in federal taxable income, a percentage, up to a maximum,
7.4 of the amount received from a pension or other retirement pay from the government for
7.5 service in the armed forces of the United States, regardless of whether the recipient served
7.6 in the military. For taxable years beginning after December 31, 2005, and before January
7.7 1, 2007, the percentage is 25 percent and the maximum amount is \$7,500; for taxable
7.8 years beginning after December 31, 2006, and before January 1, 2008, the percentage
7.9 is 50 percent and the maximum amount is \$15,000; for taxable years beginning after
7.10 December 31, 2007, and before January 1, 2009, the percentage is 75 percent and the
7.11 maximum amount is \$22,500; and for taxable years beginning after December 31, 2008,
7.12 the percentage is 100 percent and there is no maximum amount.

7.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
7.14 December 31, 2005.

7.15 Sec. 8. Minnesota Statutes 2005 Supplement, section 290.091, subdivision 2, is
7.16 amended to read:

7.17 Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following
7.18 terms have the meanings given:

7.19 (a) "Alternative minimum taxable income" means the sum of the following for
7.20 the taxable year:

7.21 (1) the taxpayer's federal alternative minimum taxable income as defined in section
7.22 55(b)(2) of the Internal Revenue Code;

7.23 (2) the taxpayer's itemized deductions allowed in computing federal alternative
7.24 minimum taxable income, but excluding:

7.25 (i) the charitable contribution deduction under section 170 of the Internal Revenue
7.26 Code:

7.27 (A) for taxable years beginning before January 1, 2006, to the extent that the
7.28 deduction exceeds 1.0 percent of adjusted gross income;

7.29 (B) for taxable years beginning after December 31, 2005, to the full extent of the
7.30 deduction.

7.31 For purposes of this clause, "adjusted gross income" has the meaning given in
7.32 section 62 of the Internal Revenue Code;

(ii) the medical expense deduction;

7.34 (iii) the casualty, theft, and disaster loss deduction; and

7.35 (iv) the impairment-related work expenses of a disabled person;

8.1 (3) for depletion allowances computed under section 613A(c) of the Internal
8.2 Revenue Code, with respect to each property (as defined in section 614 of the Internal
8.3 Revenue Code), to the extent not included in federal alternative minimum taxable income,
8.4 the excess of the deduction for depletion allowable under section 611 of the Internal
8.5 Revenue Code for the taxable year over the adjusted basis of the property at the end of the
8.6 taxable year (determined without regard to the depletion deduction for the taxable year);

8.7 (4) to the extent not included in federal alternative minimum taxable income, the
8.8 amount of the tax preference for intangible drilling cost under section 57(a)(2) of the
8.9 Internal Revenue Code determined without regard to subparagraph (E);

8.10 (5) to the extent not included in federal alternative minimum taxable income, the
8.11 amount of interest income as provided by section 290.01, subdivision 19a, clause (1); and

8.12 (6) the amount of addition required by section 290.01, subdivision 19a, clauses
8.13 (7), (8), and (9);

8.14 less the sum of the amounts determined under the following:

8.15 (1) interest income as defined in section 290.01, subdivision 19b, clause (1);

8.16 (2) an overpayment of state income tax as provided by section 290.01, subdivision
8.17 19b, clause (2), to the extent included in federal alternative minimum taxable income;

8.18 (3) the amount of investment interest paid or accrued within the taxable year on
8.19 indebtedness to the extent that the amount does not exceed net investment income, as
8.20 defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include
8.21 amounts deducted in computing federal adjusted gross income; and

8.22 (4) amounts subtracted from federal taxable income as provided by section 290.01,
8.23 subdivision 19b, clauses (9) to ~~(16)~~ (17).

8.24 In the case of an estate or trust, alternative minimum taxable income must be
8.25 computed as provided in section 59(c) of the Internal Revenue Code.

8.26 (b) "Investment interest" means investment interest as defined in section 163(d)(3)
8.27 of the Internal Revenue Code.

8.28 (c) "Tentative minimum tax" equals 6.4 percent of alternative minimum taxable
8.29 income after subtracting the exemption amount determined under subdivision 3.

8.30 (d) "Regular tax" means the tax that would be imposed under this chapter (without
8.31 regard to this section and section 290.032), reduced by the sum of the nonrefundable
8.32 credits allowed under this chapter.

8.33 (e) "Net minimum tax" means the minimum tax imposed by this section.

8.34 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
8.35 December 31, 2005.

9.1 **Sec. 9. APPROPRIATIONS.**

9.2 **Subdivision 1. State soldiers' assistance fund. \$3,000,000 is appropriated in fiscal**
9.3 **year 2007 from the general fund to the commissioner of veterans affairs to be deposited**
9.4 **in the state soldiers' assistance fund established in Minnesota Statutes, section 197.03.**
9.5 **The appropriations in this subdivision are in addition to other appropriations made to the**
9.6 **commissioner of veterans affairs.**

9.7 **Subd. 2. Centralized Web site for veterans services. \$200,000 is appropriated**
9.8 **in fiscal year 2007 from the general fund to the commissioner of veterans affairs to**
9.9 **fund a veterans service coordinator and a veterans assistance Web manager within**
9.10 **the Department of Veterans Affairs, whose mission is to create a centralized Web site**
9.11 **containing information on all state, federal, local, and private agencies and organizations**
9.12 **that provide goods or services to veterans or their families.**

9.13 **Subd. 3. County veterans service officers service enhancement grants.**
9.14 **\$3,000,000 is appropriated in fiscal year 2007 from the general fund to the commissioner**
9.15 **of veterans affairs to provide grants to counties for enhancing the benefits, programs,**
9.16 **and services they provide to veterans. The commissioner, in consultation with the**
9.17 **County Veterans Service Officers Association, shall establish grants based on objective**
9.18 **benchmarks and standards. A county may not reduce its veterans service office budget by**
9.19 **any amount received as a grant under this section. This grant program is in addition to**
9.20 **grants made under Minnesota Statutes, section 197.608.**

9.21 **Subd. 4. Higher education veterans assistance offices. (a) \$2,600,000 is**
9.22 **appropriated in fiscal year 2007 from the general fund for the purposes of Minnesota**
9.23 **Statutes, section 197.585.**

9.24 **(b) Of the amount in paragraph (a), \$2,500,000 is to the commissioner of veterans**
9.25 **affairs for the veterans assistance offices under Minnesota Statutes, section 197.585. The**
9.26 **commissioner, in consultation with the Office of Higher Education, shall determine the**
9.27 **most appropriate method of allocating this appropriation to align with the needs of the**
9.28 **students at Minnesota State Colleges and Universities and the University of Minnesota**
9.29 **who are veterans. Methods may include, but are not limited to, providing grants for**
9.30 **work study positions and providing central liaison and coordination staff to enhance**
9.31 **the responsiveness of higher education institutions to students who are veterans. The**
9.32 **commissioner shall designate a liaison to the University of Minnesota and a liaison to the**
9.33 **private colleges and universities in Minnesota for the purposes of Minnesota Statutes,**
9.34 **section 197.585.**

10.1 (c) Of the amount in paragraph (a), \$100,000 is to the Board of Trustees of the
10.2 Minnesota State Colleges and Universities to fund a systemwide coordinator to facilitate
10.3 the provision of assistance to veterans at Minnesota State Colleges and Universities
10.4 campuses under Minnesota Statutes, section 197.585.

10.5 **Sec. 10. REVISOR'S INSTRUCTION.**

10.6 The revisor of statutes shall insert a first grade headnote after Minnesota Statutes,
10.7 section 181.946, that reads "LEAVE FOR FAMILIES OF MOBILIZED MILITARY
10.8 MEMBERS."

10.9 **Sec. 11. EFFECTIVE DATE.**

10.10 Sections 1 and 4 are effective the day following final enactment and apply to the
10.11 immediate family members of military personnel injured or killed on or after that date, as
10.12 well as to the immediate family members of military personnel who, on the effective date,
10.13 are recovering from injuries that occurred before that date.

1.1 Senator moves to amend S.F. No. 2654 as follows:

1.2 Page 1, line 16, delete "subdivision 5" and insert "subdivisions 5b and 5c"

1.3 Page 1, line 17, delete everything after the first "person"

1.4 Page 1, line 18, delete "independent contractor"

1.5 Page 1, line 23, delete everything after "person's" and insert "grandparent, parent,
1.6 legal guardian, sibling, child, grandchild, spouse, fiance, or fiancée."

1.7 Page 1, line 27, delete "12 weeks" and insert "five working days"

1.8 Page 2, after line 10, insert:

1.9 "Subd. 5. Posting of law. The Department of Labor and Industry shall develop,
1.10 with the assistance of interested business and veteran's organizations, an educational
1.11 poster stating employees' rights under this section. The department shall make the poster
1.12 available, upon request, to employers for posting on the employer's premises.

1.13 Subd. 6. Individual remedies. In addition to any other remedies provided by law, a
1.14 person injured by a violation of this section may bring a civil action to recover any and all
1.15 damages recoverable at law, together with costs and disbursements, including reasonable
1.16 attorney fees, and may receive injunctive and other equitable relief as determined by
1.17 a court."

1.18 Page 2, line 14, delete everything after the first "person"

1.19 Page 2, line 15, delete "independent contractor"

1.20 Page 2, line 22, delete "Unless the leave would unduly disrupt the"

1.21 Page 2, line 23, delete "operations of the employer."

1.22 Page 2, line 27, after the period, insert "The leave required by this subdivision
1.23 shall not exceed one day."

1.24 Amend the title accordingly

Senator Metzen introduced—

S.F. No. 3177: Referred to the Committee on Jobs, Energy and Community Development.

1.1 A resolution

1.2 memorializing the President, Congress, and the United States Postal Service to
1.3 maintain current levels of service.

1.4 WHEREAS, the United States Postal Service, founded in 1775, provides dependable,
1.5 affordable mail service to all Minnesota communities, rich and poor, urban and rural, with
1.6 uniform postage rates; and

1.7 WHEREAS, the United States Postal Service remains an important part of the nation's
1.8 economic infrastructure through which nearly \$1 trillion of economic activity is conducted each
1.9 year and in which 9,000,000 are employed; and

1.10 WHEREAS, millions of older, disabled, and economically disadvantaged Minnesotans,
1.11 especially in rural areas, do not have easy access to the Internet or to electronic banking and bill
1.12 paying and are therefore heavily dependent on the United States Postal Service for communication
1.13 and the conducting of business transactions; and

1.14 WHEREAS, Americans currently enjoy the most extensive postal service at the lowest
1.15 postage rates of any major industrialized nation in the world; and

1.16 WHEREAS, excessive below-cost postage discounts to large business and advertising
1.17 mailers drain billions of dollars in revenue from the United States Postal Service causing small
1.18 businesses and ordinary citizens to subsidize those discounts through higher postage rates; and

1 WHEREAS, the Commission on the United States Postal Service has recommended
1.20 changes to postal operations that would sever postal employees from federal employee health,
1.21 retirement, and workers' compensation programs, and has recommended repeal of laws that

2.1 would pave the way toward reducing rank-and-file wages and benefits while simultaneously
2.2 eliminating the current salary cap on executive-level postal positions; and

2.3 WHEREAS, the commission has recommended a new President-appointed, corporate-style
2.4 board of directors and a new Postal Regulatory Board and has proposed giving these new
2.5 politically appointed governing bodies broad authority to set rates without prior approval or
2.6 review; and

2.7 WHEREAS, the commission has proposed to refine the scope of the United States Postal
2.8 Service's "universal service" obligation and uniform rate structure and change and restrict the
2.9 scope of services currently protected under postal monopoly regulations; and

2.10 WHEREAS, the new board's broad authority would allow post offices to be closed without
2.11 community input and prices to be set with a complicated postage rate structure or would turn over
2.12 postal operations to private for-profit enterprises, despite a recent survey whose respondents had
2.13 an overwhelmingly favorable view of the United States Postal Service, with 3 out of 4 saying
2.14 no major changes are needed; and

2.15 WHEREAS, replacing the United States Postal Service's public service obligation with a
2.16 profit-seeking mandate would undermine the United States Postal Service's historical "universal
2.17 service" obligation, weaken its national infrastructure, and divide our nation politically and
2.18 economically; and

2.19 WHEREAS, in the interim period prior to legislated postal reform, the United States Postal
2.20 Service may unilaterally move forward with initiatives to close post offices in Minnesota prior to
2.21 allowing full input by the affected communities; NOW, THEREFORE,

2.22 BE IT RESOLVED by the Legislature of the State of Minnesota that it urges the President
2.23 and the Congress of the United States and the United States Postal Service to continue to
2.24 maintain affordable, dependable mail service at current levels because of its social and economic
2.25 importance to our nation.

2.26 BE IT FURTHER RESOLVED that the Legislature of the State of Minnesota opposes
2.27 any effort to undermine the United States Postal Service's "universal service" obligation and
2.28 its uniform rate structure.

2.29 BE IT FURTHER RESOLVED that the service hours should be returned to levels before
2.30 the report of the President's Commission on the United States Postal Service and prior to the
2.31 implementation of the Small Post Office Reviews and Standardization Program, and that any

3.1 recommendation from the commission that curtails public services in the current postal service
be rejected.

3.3 BE IT FURTHER RESOLVED that the Legislature of the State of Minnesota goes on
3.4 record against any changes that would harm the public and workers of the United States Postal
3.5 Service, including legislated or United States Postal Service initiatives to close or consolidate
3.6 post offices, take away or modify the collective bargaining system of postal workers, or change
3.7 the current bargaining system for employee benefits.

3.8 BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is
3.9 directed to prepare copies of this memorial and transmit them to the President of the United
3.10 States, the President and the Secretary of the United States Senate, the Speaker and the Clerk of
3.11 the United States House of Representatives, the Postmaster General of the United States Postal
3.12 Service, the chair of the Senate Committee on Budget, the chairs of the House Committees on
3.13 Ways and Means, Rules, and Budget, and Minnesota's Senators and Representatives in Congress.

1.1 **Senator Anderson from the Committee on Jobs, Energy and Community**
1.2 **Development, to which was re-referred**

1.3 **S.F. No. 2123:** A resolution memorializing the President, Congress, and the United
1.4 States Postal Service to maintain current levels of service.

1.5 Reports the same back with the recommendation that the resolution be amended
1.6 as follows:

1.7 Page 1, delete lines 6 to 25

1.8 Page 2, delete lines 1 to 36

1.9 Page 3, delete lines 1 to 28 and insert:

1.10 "WHEREAS, the United States Postal Service, founded in 1775, provides
1.11 dependable, affordable mail service to all Minnesota communities, rich and poor, urban
1.12 and rural, with uniform postage rates; and

1.13 WHEREAS, the United States Postal Service remains an important part of the
1.14 nation's economic infrastructure through which nearly \$1 trillion of economic activity is
1.15 conducted each year and in which 9,000,000 are employed; and

1.16 WHEREAS, millions of older, disabled, and economically disadvantaged
1.17 Minnesotans, especially in rural areas, do not have easy access to the Internet or to
1.18 electronic banking and bill paying and are therefore heavily dependent on the United
1.19 States Postal Service for communication and the conducting of business transactions; and

1.20 WHEREAS, Americans currently enjoy the most extensive postal service at the
1.21 lowest postage rates of any major industrialized nation in the world; and

22 WHEREAS, excessive below-cost postage discounts to large business and
1.23 advertising mailers drain billions of dollars in revenue from the United States Postal
1.24 Service causing small businesses and ordinary citizens to subsidize those discounts
1.25 through higher postage rates; and

1.26 WHEREAS, the Commission on the United States Postal Service has recommended
1.27 changes to postal operations that would sever postal employees from federal employee
1.28 health, retirement, and workers' compensation programs, and has recommended repeal
1.29 of laws that would pave the way toward reducing rank-and-file wages and benefits while
1.30 simultaneously eliminating the current salary cap on executive-level postal positions; and

1.31 WHEREAS, the commission has recommended a new President-appointed,
1.32 corporate-style board of directors and a new Postal Regulatory Board and has proposed
1.33 giving these new politically appointed governing bodies broad authority to set rates
1.34 without prior approval or review; and

2.1 WHEREAS, the commission has proposed to refine the scope of the United States
2 Postal Service's "universal service" obligation and uniform rate structure and change and
2.3 restrict the scope of services currently protected under postal monopoly regulations; and

2.4 WHEREAS, the new board's broad authority would allow post offices to be closed
2.5 without community input and prices to be set with a complicated postage rate structure or
2.6 would turn over postal operations to private for-profit enterprises, despite a recent survey
2.7 whose respondents had an overwhelmingly favorable view of the United States Postal
2.8 Service, with 3 out of 4 saying no major changes are needed; and

2.9 WHEREAS, replacing the United States Postal Service's public service obligation
2.10 with a profit-seeking mandate would undermine the United States Postal Service's
2.11 historical "universal service" obligation, weaken its national infrastructure, and divide our
12 nation politically and economically; and

2.13 WHEREAS, in the interim period prior to legislated postal reform, the United States
2.14 Postal Service may unilaterally move forward with initiatives to close post offices in
2.15 Minnesota prior to allowing full input by the affected communities; NOW, THEREFORE,

2.16 BE IT RESOLVED by the Legislature of the State of Minnesota that it urges the
2.17 President and the Congress of the United States and the United States Postal Service to
2.18 continue to maintain affordable, dependable mail service at current levels because of its
2.19 social and economic importance to our nation.

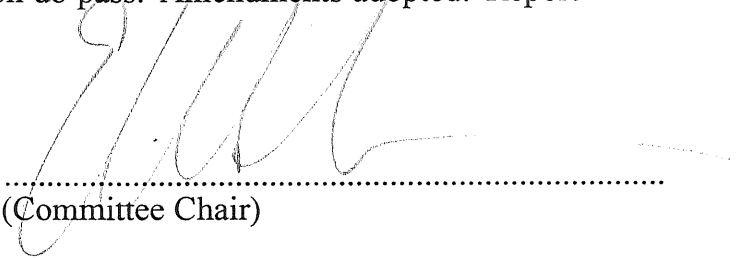
2.20 BE IT FURTHER RESOLVED that the Legislature of the State of Minnesota
2.21 opposes any effort to undermine the United States Postal Service's "universal service"
2.22 obligation and its uniform rate structure.

2.23 BE IT FURTHER RESOLVED that the service hours should be returned to levels
2.24 before the report of the President's Commission on the United States Postal Service
2.25 and prior to the implementation of the Small Post Office Reviews and Standardization
2.26 Program, and that any recommendation from the commission that curtails public services
2.27 in the current postal service be rejected.

2.28 BE IT FURTHER RESOLVED that the Legislature of the State of Minnesota goes
2.29 on record against any changes that would harm the public and workers of the United States
Postal Service, including legislated or United States Postal Service initiatives to close or
2.31 consolidate post offices, take away or modify the collective bargaining system of postal
2.32 workers, or change the current bargaining system for employee benefits.

3.1 BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota
 3.2 is directed to prepare copies of this memorial and transmit them to the President of the
 3.3 United States, the President and the Secretary of the United States Senate, the Speaker and
 3.4 the Clerk of the United States House of Representatives, the Postmaster General of the
 3.5 United States Postal Service, the chair of the Senate Committee on Budget, the chairs of
 3.6 the House Committees on Ways and Means, Rules, and Budget, and Minnesota's Senators
 3.7 and Representatives in Congress."

3.8 And when so amended the resolution do pass. Amendments adopted. Report
 3.9 adopted.



.....
 (Committee Chair)

3.10
 3.11

3.12 March 15, 2006

3.13 (Date of Committee recommendation)

Senators Metzen, Tomassoni, Sparks and Anderson introduced--

S.F. No. 2123: Referred to the Committee on Jobs, Energy and Community Development.

A resolution

memorializing the President, Congress, and the United States Postal Service to maintain current levels of service.

WHEREAS, the United States Postal Service, founded in 1775, provides dependable, affordable mail service to all Minnesota communities, rich and poor, urban and rural, with uniform postage rates; and

WHEREAS, the United States Postal Service remains an important part of the nation's economic infrastructure through which nearly one trillion dollars of economic activity is conducted each year and in which 9,000,000 are employed; and

WHEREAS, millions of older, disabled and economically disadvantaged Minnesotans, especially in rural areas, do not have easy access to the Internet or to electronic banking and bill paying and are therefore heavily dependent on the United States Postal Service for communication and the conducting of business transactions; and

WHEREAS, Americans currently enjoy the most extensive postal service at the lowest postage rates of any major industrialized nation in the world; and

WHEREAS, excessive below-cost postage discounts to large business and advertising mailers drain billions of dollars in revenue from the United States Postal Service causing small

1 businesses and ordinary citizens to subsidize those discounts
2 through higher postage rates; and

3 WHEREAS, the commission on the United States Postal Service
4 has recommended changes to postal operations that would sever
5 postal employees from federal employee health, retirement, and
6 workers' compensation programs, and has recommended repeal of
7 laws that would pave the way towards reducing rank-and-file
8 wages and benefits while simultaneously eliminating the current
9 salary cap on executive-level postal positions; and

10 WHEREAS, the commission has recommended a new
11 President-appointed, corporate-style board of directors and a
12 new Postal Regulatory Board and the commission has proposed
13 giving these new politically appointed governing bodies broad
14 authority to set rates without prior approval or review; and

15 WHEREAS, the commission has proposed to refine the scope of
16 the United States Postal Service's "universal service"
17 obligation and uniform rate structure and change and restrict
18 the scope of services currently protected under postal monopoly
19 regulations; and

20 WHEREAS, the new board's broad authority would allow post
21 offices to be closed without community input and prices to be
22 set with a complicated postage rate structure or would turn over
23 postal operations to private for-profit enterprises despite a
24 recent survey whose respondents had an overwhelmingly favorable
25 view of the United States Postal Service, with three out of four
26 saying no major changes are needed; and

27 WHEREAS, replacing the United States Postal Service's
28 public service obligation with a profit-seeking mandate would
29 undermine the United States Postal Service's historical
30 "universal service" obligation, weaken its national
31 infrastructure, and divide our nation politically and
32 economically; NOW, THEREFORE,

33 BE IT RESOLVED by the Legislature of the State of Minnesota
34 that it urges the President, the Congress of the United States,
35 and the United States Postal Service to continue to maintain
36 affordable, dependable mail service at current levels because of

1 its social and economic importance to our nation.

2 BE IT FURTHER RESOLVED that the Legislature of the State of
3 Minnesota oppose any effort to undermine the United States
4 Postal Service's "universal service" obligation and its uniform
5 rate structure.

6 BE IT FURTHER RESOLVED that the Legislature of the State of
7 Minnesota urge that postal service hours be returned to levels
8 before the report of the president's Commission on the United
9 States Postal Service and prior to the implementation of the
10 Small Post Office Reviews and Standardization Program, and that
11 any recommendation from the commission that curtails public
12 services in the current postal service be rejected.

13 BE IT FURTHER RESOLVED that the Legislature of the State of
14 Minnesota go on record against any changes that would harm
15 workers of the United States Postal Service, including
16 legislation to close small offices, take away or modify the
17 collective bargaining system of postal workers, or change the
18 current bargaining system for employee benefits.

19 BE IT FURTHER RESOLVED that the Secretary of State of the
20 State of Minnesota is directed to prepare copies of this
21 memorial and transmit them to the President of the United
22 States, the President and the Secretary of the United States
23 Senate, the Speaker and the Clerk of the United States House of
24 Representatives, the Postmaster General of the United States
25 Postal Service, the Committee on Ways and Means, Rules, and
26 Budget of the United States House of Representatives, the Budget
27 Committee of the United States Senate, and Minnesota's Senators
28 and Representatives in Congress.

1.1 **Senator Anderson from the Committee on Jobs, Energy and Community**
1.2 **Development, to which was re-referred**

1.3 **S.F. No. 2570:** A bill for an act relating to taxation; modifying the personal property
1.4 exemption for certain electric utility generation facilities; amending Minnesota Statutes
1.5 2004, section 272.02, subdivision 55.

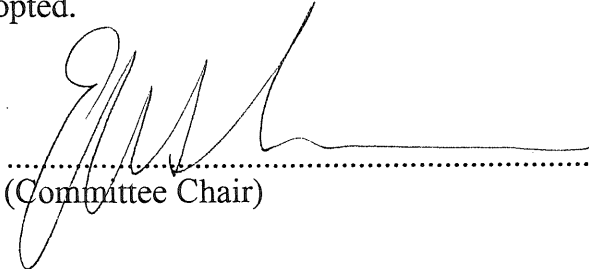
1.6 Reports the same back with the recommendation that the bill be amended as follows:

1.7 Page 1, line 14, delete "and"

1.8 Page 1, delete line 16 and insert "~~site, and (vi) is~~ have received by resolution
1.9 approval from the governing body of the county and township or city in which the
1.10 proposed facility is to be located for the exemption of personal property under this
1.11 subdivision, and (v) be designed to host at least 500 megawatts of electrical generation."

1.12 Page 1, line 22, after the period, insert "To qualify for an exemption under this
1.13 subdivision, the owner of the electric generation facility must have an agreement with the
1.14 host county, township or city, and school district, for payment in lieu of personal property
1.15 taxes to the host county, township or city, and school district."

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

1.18 
1.19 (Committee Chair)

1.20 March 15, 2006
1.21 (Date of Committee recommendation)

Senator Saxhaug introduced-

S.F. No. 2570: Referred to the Committee on Taxes.

A bill for an act

relating to taxation; modifying the personal property exemption for certain electric utility generation facilities; amending Minnesota Statutes 2004, section 272.02, subdivision 55.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2004, section 272.02, subdivision 55, is amended to read:

Subd. 55. **Electric generation facility; personal property.** Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of an electric generating facility that meets the requirements of this subdivision is exempt. At the time of construction, the facility must ~~be sited on an energy park that (i) is located on an active mining site, or on a former mining or industrial site where mining or industrial operations have terminated~~ be designated as an innovative energy project as defined in section 216B.1694, (ii) is be within a tax relief area as defined in section 273.134, (iii) has on-site have access to existing railroad infrastructure within less than three miles, and (iv) has direct rail access to a Great Lakes port, (v) has sufficient private water resources on site, and (vi) is be designed to host at least 500 megawatts of electrical generation.

Construction of the first ~~250~~ 500 megawatts of the facility must be commenced after January 1, ~~2002~~ 2006, and before January 1, ~~2005~~ 2010. Construction of up to an additional 750 megawatts of generation must be commenced before January 1, ~~2010~~ 2015. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

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

1.1 Senator moves to amend S.F. No. 2570 as follows:

1.2 Page 1, line 14, delete "and" and strike "(iv)"

3 Page 1, line 16, before "be" insert "(iv) have received by resolution approval from
1.4 the governing body of the county and township or city in which the proposed facility is to
1.5 be located for the exemption of personal property under this subdivision; and (v) "

1.6 Page 1, line 22, after the period, insert "To qualify for an exemption under this
1.7 subdivision, the owner of the electric generation facility must have an agreement with the
1.8 host county, township or city, and school district, for payment in lieu of personal property
1.9 taxes to the host county, township or city, and school district."

Sen. Anderson, members of the Committee, thank you for the opportunity to testify about this bill today.

I'm a landowner near the proposed site of the Demonstration Coal Gasification Plant, I retired just a couple of months ago after more than 34 years of federal service. My wife will retire a year from now. We built our retirement home on Diamond Lake, it's right here on the north side of the lake, between the lake and the new county road being built for the plant, and just west of the railroad track for coal trains.

We built here because my wife Linda Castagneri, was born and raised on the range, in fact she grew up with the Michelettis! This is her home. But what they're doing in our front and back yard – we certainly were not planning to spend the rest of our lives next to a massive coal plant.

Itasca County is not wealthy. The county claims it cannot afford to plow Diamond Lake Road in the winter, and those of us who live along it have to pay to have the public road to our driveways plowed. Yet now the county will be turning Diamond Lake Road in front of our home into a rerouted Scenic Highway 7, for more convenient access to the Mesaba plant. Is this a good use of our limited tax dollars?

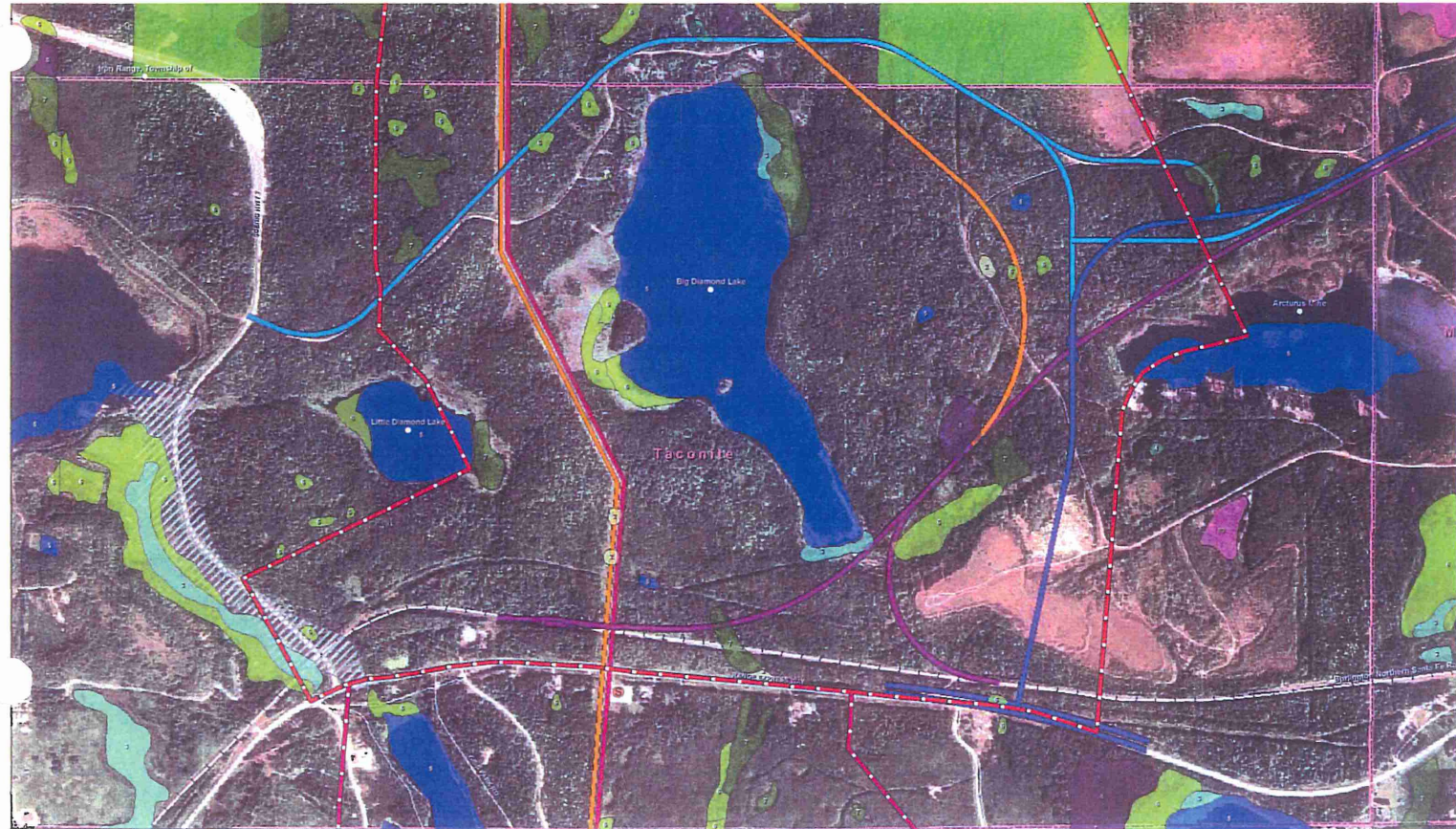
This project is supposed to provide local economic development. As taxpayers, we don't think it's the county, state or federal government's place to be building infrastructure for a private corporation, or giving out grants and losing tax revenue to Excelsior. This bill takes millions in annual personal property tax revenue from local government and adds to Excelsior's bottom line, and the county, city and school district cannot afford to lose any revenue. Economic development is not taking funds, it's making a contribution. Excelsior should contribute to the local economy.

I don't think the legislature should approve a personal property tax exemption for Excelsior. If you do decide Excelsior should have an exemption, you should at least change the bill to require a Host Fee Agreement between local governments and Excelsior. Xcel's Blue Lake Plant, the Faribault Energy Park, Invenergy in Cannon Falls are examples of exempted plants that have Host Fee Agreements. These agreements are important because they compensate the community for the costs of having a large electric generating plant in their back yards.

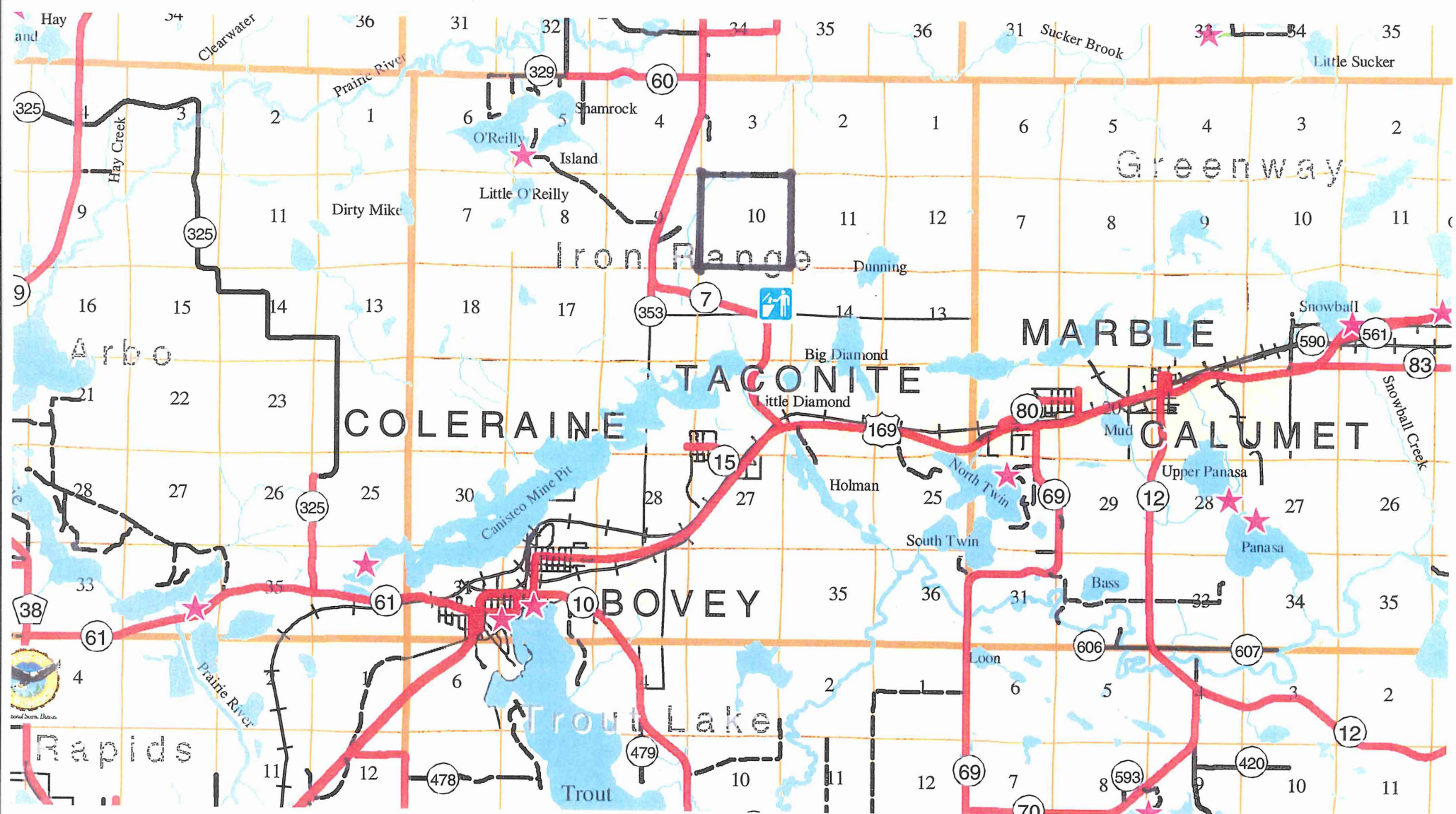
Please don't exempt Excelsior's Mesaba plant from personal property tax. But if you do, amend the bill to require that local governments get their fair share.

Ron Gustafson
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St Paul Mn 55114
651-644-3973
ron.gustafson@comcast.net

23361 Diamond Lake Rd
Bovey MN 55709
218-244-4263



	Project Number AEXENR0401.00	Legend Immediate Site Survey Area Site EA Area Linear EA Area Road & Rail Alignments All Alternative Rail Alignment	Ownership Option Secured: Excelsior holds undivided ownership interest Option Secured: Excelsior holds 100% surface interest County Rail Alignments	Gas Assessment Gas Line EA Substations HVTL Assessments	Natural Heritage Points NWI (CIRC39) 1- Seasonally flooded basin or flat 2- Wet meadow 3- Shallow marsh	7- Wooded swamps 8- Slough 9- Municipal and industrial activities 10- Riverine systems Floodplain	Project: LTA Zone 15, Meters NAD83 	Excelsior Imme



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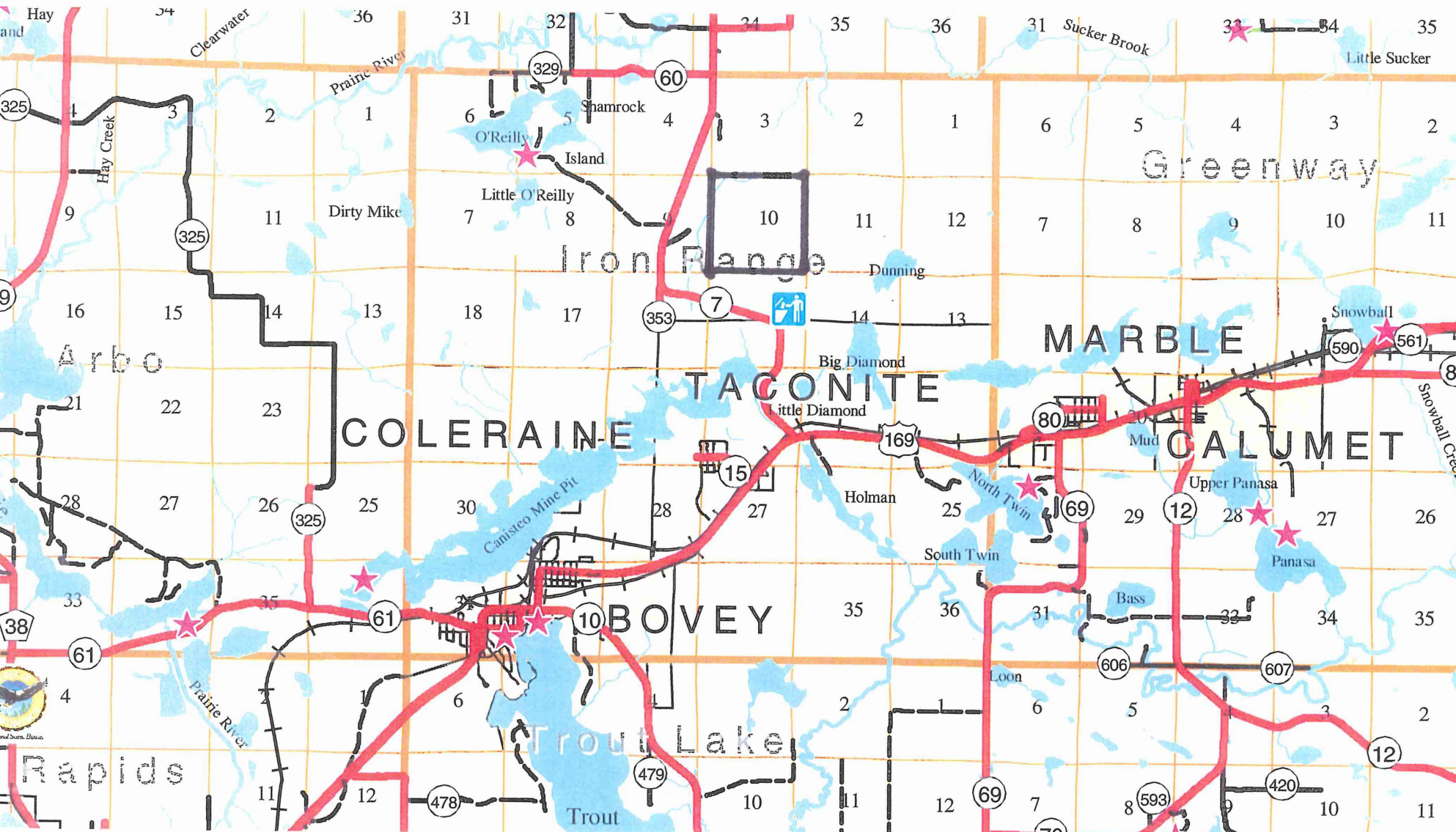
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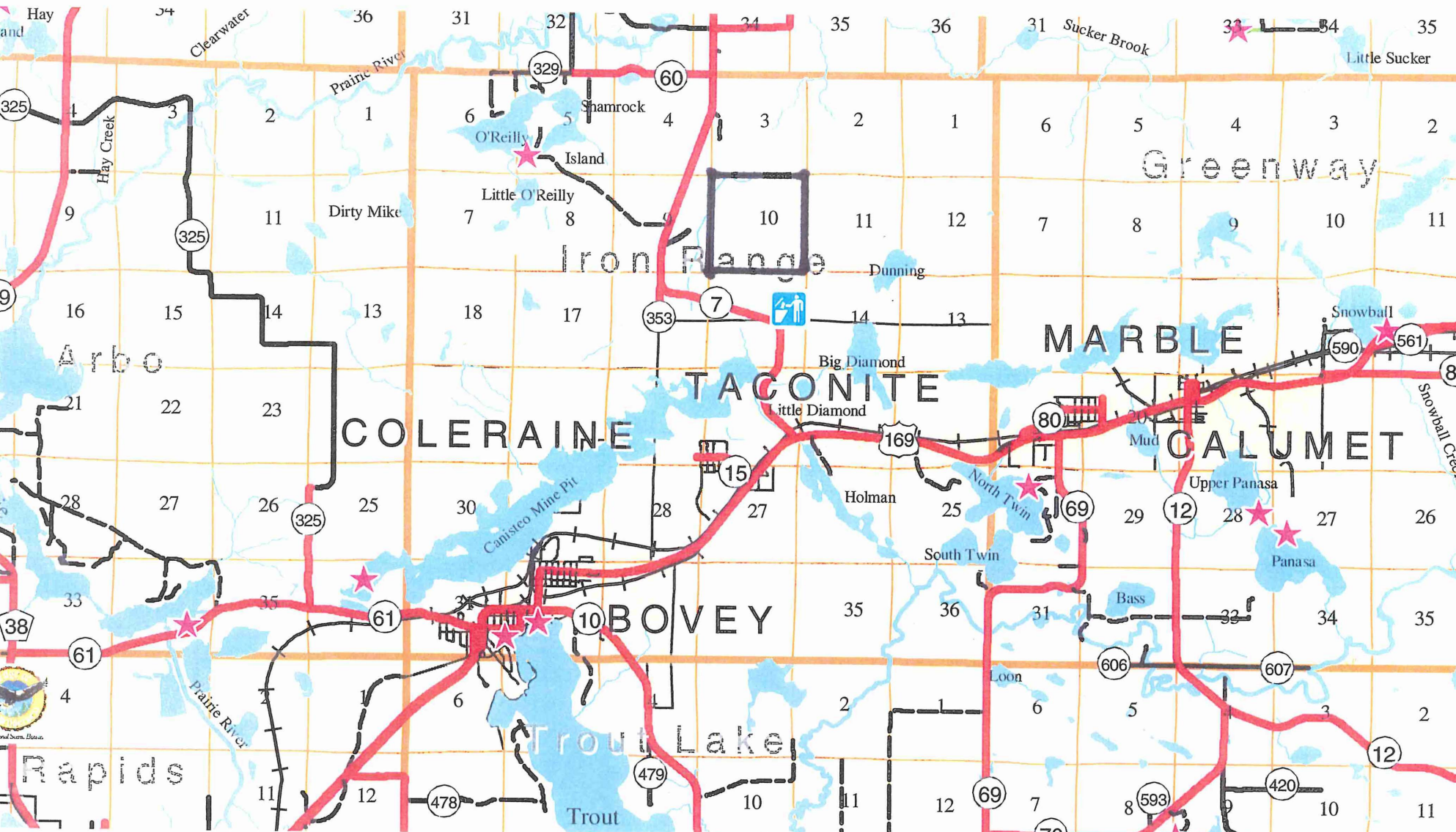
BOVEY

Trout Lake

Greenway



Rapids



CRITERIA FOR MESABA ARE IMPORTANT – DON'T DELETE!

Excelsior sold its Mesaba project as environmentally sound economic development and as reclamation of economically distressed, abandoned mining facilities. These are material terms.

Now Excelsior wants to delete those sensible requirements and become another project entirely – that's "Bait n' Switch." Why would you want to eliminate these provisions:

- **Must be sited on an energy park**
- **Located on mining site**
- **Have access to rail**
- **Have direct access by rail to Lake Superior**
- **Have sufficient water on site**

Excelsior must do its part of the bargain to get the perks it's demanding. This is not what Excelsior sold the legislature in 2003 – hold Excelsior to its promises.

S.F. 2570

- 1.1 A bill for an act
1.2 relating to taxation; modifying the personal property exemption for certain
1.3 electric utility generation facilities; amending Minnesota Statutes 2004, section
1.4 272.02, subdivision 55.
1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
1.6 Section 1. Minnesota Statutes 2004, section 272.02, subdivision 55, is amended to read:
1.7 Subd. 55. **Electric generation facility; personal property.** Notwithstanding
1.8 subdivision 9, clause (a), attached machinery and other personal property which is part of
1.9 an electric generating facility that meets the requirements of this subdivision is exempt. At
1.10 the time of construction, the facility ~~must be sited on an energy park that (i) is located on~~
1.11 ~~an active mining site, or on a former mining site or industrial site where mining or industrial~~
1.12 ~~operations have terminated~~ be designated as an innovative energy project as defined in
1.13 section 216B.1694, (ii) is be within a tax relief area as defined in section 273.134, (iii)
1.14 have access to existing railroad infrastructure within less than three miles, and (iv)
1.15 has direct rail access to a Great Lakes port, (v) has sufficient private water resources on
1.16 site, and (vi) is be designed to host at least 500 megawatts of electrical generation.
1.17 Construction of the first ~~250~~ 500 megawatts of the facility must be commenced
1.18 after January 1, ~~2002~~ 2006, and before January 1, ~~2005~~ 2010. Construction of up to an
1.19 additional 750 megawatts of generation must be commenced before January 1, ~~2010~~
1.20 2015. Property eligible for this exemption does not include electric transmission lines
1.21 and interconnections or gas pipelines and interconnections appurtenant to the property
1.22 or the facility.
1.23 EFFECTIVE DATE. This section is effective the day following final enactment.

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BLANKET EXEMPTION FOR UTILITY PERSONAL PROPERTY TAXES

It's time for a blanket exemption from personal property tax for new unregulated power plants with requirement of local government approval and a host fee agreement.

Case-by-case exemption of power plants from personal property tax does not work. It happened last session, and it's happened again – a bill for exemption of a power plant from personal property tax was introduced without knowledge or approval of the affected local government units. That's not workable. Exemptions should only be undertaken with the blessing of those affected.

In these times of scarce resources, local governments cannot stand to lose millions of dollars in tax revenue, nor should they be expected to accept a power plant in the community without reasonable compensation for direct and indirect costs of living with a power plant, particularly an unregulated independent power producer.

The solution is simple:

Blanket Utility Personal Property Exemption with Host Fee Agreement
Similar language was proposed last session

Subdivision 1. [NEW PLANT CONSTRUCTION AFTER JANUARY 1, 2006.] For a new unregulated generating plant built and placed in service after January 1, 2006, its personal property used to generate electric power is exempt from property taxation, including under section 453.54, subdivision 20, if an exemption of generation personal property form, with an attached siting and host fee agreement, is filed with the Department of Revenue. The form must be signed by the utility, and the county and city or town and school district where the facility is proposed to be located.

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Dear Sen. Anderson:

I'm writing to you because you chair the Senate Energy Committee which will soon be considering Senate File 2570. I recently wrote to Sen. Saxhaug, who represents my district but I've had no response from him.

This is what I sent to Sen. Saxhaug and Rep. Solberg (who replied that he is not sure he will press for passage of the House bill) on March 10th and I would like you also to consider:

"It seems that Itasca County officials are not aware of the following information, so I've sent it to them.

Senate and House bills have been introduced to exempt this project from paying the statutory utility personal property tax, which could be worth as much as \$10 million/year to be divided among Itasca County, City of Taconite, and the local school district.

In recent years it has become standard procedure when a utility > seeks such an exemption for the local units of government to negotiate a Host Fee Agreement as a quid pro quo for supporting the exemption. Two examples are:

- * a Waseca County Resolution regarding the Blooming Grove Township facility;
- and
- * a Scott County Resolution regarding Xcel's Blue Lake Peaking Plant.

Goodhue County Auditor Brad Johnson ((651) 385-3032) is very familiar with such Host Fee Agreements and could provide valuable guidance to Itasca County."

You may be aware that property owners in Itasca County have been experiencing significantly large increases in property taxes, which could be offset to some extent by having Mesaba pay its fair share in exchange for the expensive infrastructure it is expecting and for local services. I'm wondering if you two have considered this and what you are planning to do about it."

I expended considerable effort to get the attention of county officials focused on this matter, and yesterday afternoon the County Commissioners passed a resolution to seek an amendment to SF 2570 to condition the tax exemption on: approval by local units of government; and a negotiated Host Fee Agreement with local units of government. I was present when they held a telephone conference with Rep. Solberg and Sen. Saxhaug and Lobbyist Ron Dicklich, requesting that they so amend the bills in both houses. I believe that the legislature should pass a bill that would condition all such tax exemptions on negotiated agreements with local units of government.

In addition to the tax exemption aspect of this bill, it seeks to vacate three of the conditions that were contained in the 2003 legislation: it be built on a brownfield; it have sufficient private water resources on site; and it have access to a railroad. That legislation gave this project such extraordinary privileges as: exemption from a Certificate of Need; Eminent Domain authority; and "entitlement" to a power purchase agreement with NSP, which is currently the subject of a contested case before the PUC. I was struck by these extraordinary privileges at the time but I understood that the people and elected officials in the Hoyt Lakes area were desperate to get this project on an abandoned industrial site, and they strongly supported the legislation.

So imagine my surprise and dismay last summer when, as a resident of Trout Lake Township in Itasca County, I learned that this coal-burning, carbon-dioxide spewing, technologically-experimental project was to be built along the nearby "Scenic Highway" on a greenfield site where sequestration of carbon dioxide is not geologically feasible. I have recently learned the project proposes to run a new, 12-inch natural gasline from south to north through my township.

It is bad enough that more than \$50 million in bonding is being sought for this boondoggle that already got millions from the IRRRB, the federal Dept of Energy, and most ludicrously, the state's renewable energy resources fund. Now they want to be exempted from paying the taxes meant to reimburse local government for the real and intangible costs of hosting this noxious facility. Adding insult to injury is the attempt to do this without consulting or notifying the local units of government.

This project does not deserve any more privileges or exemptions. If it cannot succeed while honoring the requirements in the enabling legislation and existing law, the state is better off without it.

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RESOLUTION
OF THE
COUNTY BOARD OF COMMISSIONERS
ITASCA COUNTY, MINNESOTA

Adopted March 14, 2006

Commissioner McLynn moved the adoption of the following resolution:

Resolution No. 03-06-01 (Page 1 of 2)

RE: SF 2570 and HF 3020

WHEREAS, Mesaba Energy is proposing to construct a new electrical generation facility in Itasca County, and

WHEREAS, this facility, if constructed will provide significant economic development opportunities and jobs in an area that is economically depressed due to plant closings, and

WHEREAS, SF 2570 and HF 3020 have been introduced to support this project provided it receives a property tax exemption, and

WHEREAS, a property tax exemption will result in the loss of millions of dollars in revenues to local governments,

NOW, THEREFORE, BE IT RESOLVED that the Itasca County Board of Commissioners will support SF 2570 and HF 3020 provided that the proposed legislation be amended to include the following:

(b) Have received by resolution the approval from the governing body of the county and township or city and school district in which the proposed facility is to be located for the exemption of personal property under this subdivision.

(c) To qualify under this subdivision, an agreement must be negotiated between the power plant owner and the host county and township or city and school district, for a payment in lieu of property taxes to the host county and township or city and school district.

Commissioner Dimich seconded the motion for the adoption of the resolution and it was declared adopted upon the following vote:

Yeas 4 Nays 0

District #1 ABSENT District #2 Y

Other 1

District #3 Y District #4 Y

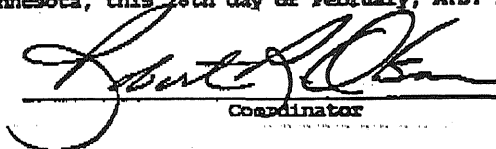
District #5 Y

Resolution 02-06-03 (Continued)
Page 2 of 2

STATE OF MINNESOTA
Office of County Coordinator
ss. County of Itasca

I, ROBERT R. OLSON, Coordinator of County of Itasca, do hereby certify that I have compared the foregoing with the original resolution filed in my office on the 28th day of February A.D. 2006, and that the same is a true and correct copy of the whole thereof.

WITNESS MY HAND AND SEAL OF OFFICE at Grand Rapids, Minnesota, this 28th day of February, A.D. 2006.


Coordinator

By _____ Deputy