

ONE HUNDRED SEVENTEENTH DAY

St. Paul, Minnesota, Friday, May 16, 2008

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Paul Rogers.

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

Anderson	Erickson Ropes	Langseth	Ortman	Sieben
Bakk	Fischbach	Larson	Pappas	Skoe
Berglin	Foley	Latz	Pariseau	Skogen
Betzold	Frederickson	Limmer	Pogemiller	Sparks
Bonoff	Gerlach	Lourey	Prettner Solon	Stumpf
Carlson	Gimse	Lynch	Rest	Tomassoni
Chaudhary	Hann	Marty	Robling	Torres Ray
Clark	Higgins	Metzen	Rosen	Vandever
Cohen	Ingebrigtsen	Michel	Rummel	Vickerman
Dahle	Johnson	Moua	Saltzman	Wergin
Day	Jungbauer	Murphy	Saxhaug	Wiger
Dibble	Koch	Olseen	Scheid	
Dille	Koering	Olson, G.	Senjem	
Doll	Kubly	Olson, M.	Sheran	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 15, 2008

The Honorable James P. Metzen
President of the Senate

Dear Senator Metzen:

The Notaries Public for 2007 are hereby respectfully submitted to the Senate for confirmation as

required by Article V, Section 3 of the Minnesota Constitution.

Sincerely,
Tim Pawlenty, Governor

Senator Pogemiller moved that the appointments of Notaries Public be laid on the table. The motion prevailed.

May 15, 2008

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

I have vetoed and am returning Chapter 320, Senate File 875, a bill related to minimum wage.

I have repeatedly supported minimum wage increases as both the Governor and as a legislator. As recently as 2005, I signed into law a bill increasing the minimum wage.

Significantly, even with my veto of this bill, the minimum wage will increase to \$6.55 this year and \$7.25 next year for most employers pursuant to increases established under federal law. The federal minimum wage increases were accomplished through a bipartisan compromise at the federal level and allow for a tip credit. Unfortunately, and once again, this bill does not reflect similar bipartisan agreement.

As the Legislature addressed the state minimum wage again this year, I was very clear that I would support a reasonable increase to the state minimum wage, provided that the bill included an acceptable tip credit. A tip credit allows an employer to pay a slightly lower minimum wage to employees whose jobs include the receipt of significant earnings through tips. Unfortunately, the authors of the bill chose to ignore my concerns and passed a bill that increases the minimum wage to more than 50 percent above the 2005 rate and does not include a tip credit for tipped employees. My Administration presented a compromise so that the tip credit would only apply to increases in the minimum wage, so that no employees would see a reduction in their current wage. That offer was rejected.

Minnesota is one of only a handful of states that do not recognize a tip credit at the state level. A tip credit is applied in 43 states for calculating the base wage for tipped employees. The tip credit is essential for the continued viability of many employers.

The minimum wage increase in S.F. 875 would increase the minimum wage in Minnesota to \$7.75, giving Minnesota the 7th-highest minimum wage in the country. The size of this wage mandate and the lack of an appropriate tip credit would detrimentally harm employers in Minnesota struggling to maintain jobs within an economic slowdown and ultimately be passed on to consumers in the form of increased prices for goods and services.

I am willing to consider a bipartisan minimum wage bill next session if it allows for a reasonable increase, creates a tip credit, and does not unduly burden Minnesota's employers and Minnesota's

economy.

Sincerely,
Tim Pawlenty, Governor

Senator Pogemiller moved that S.F. No. 875 and the veto message thereon be laid on the table. The motion prevailed.

May 15, 2008

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

I have vetoed and am returning Chapter 319, Senate File 3775, a bill establishing a new fee on paint sold in Minnesota.

County governments throughout Minnesota currently have well established programs to collect and dispose of paint and various other household hazardous waste products. I support these efforts to encourage consumer recycling and efforts by industry to make recycling easier for consumers. Minnesotans currently support paint recycling and disposal programs through their state and local taxes. I am vetoing this bill because it imposes a second government-imposed payment on Minnesota consumers for this same purpose.

While counties and associated household hazardous waste programs may be seeing increased burdens related to the collection and recycling of used paint, this legislation provides little assurance that taxpayers will see any relief if this bill were to become law.

Requiring Minnesota consumers to pay for both public and industry based programs results in a double burden on consumers for the same purpose. I appreciate that the conference committee members considered some of the arguments made by opponents of the bill on this particular issue and included language that remits excess funds collected by this fee to other household hazardous waste programs. However, if a new fee is warranted, the bill should provide a direct mechanism to reduce property tax collections now going to support paint recycling and disposal within household hazardous waste programs.

To the extent state anti-trust laws prevent manufacturers and retailers from acting in concert to establish such a program, rather than establish a new fee or assessment in legislation, the best approach is to simply provide manufacturers the exemptions from anti-trust regulations needed to develop and operate such a program.

Sincerely,
Tim Pawlenty, Governor

Senator Pogemiller moved that S.F. No. 3775 and the veto message thereon be laid on the table. The motion prevailed.

May 15, 2008

The Honorable James P. Metzen
President of the Senate

Dear Senator Metzen:

I have vetoed and am returning Chapter 323, Senate File 3166. Provisions in the bill that weaken the statutory criminal background check standards for people who have direct contact with children, nursing home residents, and vulnerable adults are unacceptable. Provisions in the bill that remove the right to confidentiality that was previously promised to birth parents who placed a child for adoption are also problematic.

The criminal background check procedures for persons providing direct care to children and other vulnerable populations were significantly strengthened during the 2005 legislative session. At that time, the Legislature amended Minnesota Statutes, Section 245C.15, to expressly enumerate sex offenses, predatory offenses such as murder, felony spousal and child abuse, child pornography, and other serious felony offenses as permanent bars from employment providing direct services to children and vulnerable adults. The bill also exempted these most serious of crimes from the administrative set aside process. The protections afforded in H.F. 1, Chapter 136, passed both chambers of the Legislature with broad bipartisan support. This bill compromises those protections.

I expressed my specific concerns on the criminal background check provisions in this bill in a letter to the conference committee. It is unfortunate that my concerns were not addressed.

S.F. 3166 weakens the ability of the Department of Human Services to disqualify an individual from direct contact services where a preponderance of the evidence supports the commission of a disqualifying crime. This bill would invoke a higher evidentiary standard of "clear and convincing evidence." The preponderance of evidence standard has been a workable standard for many years. Requiring the agency to prove the conduct by a higher evidentiary standard will require the agency to allow individuals, for whom there is significant and credible evidence of serious criminal conduct, to work with children and other vulnerable individuals.

This bill also amends current law to allow individuals who were granted a set aside prior to July 1, 2005, to request another set aside despite their crime being included within the list of permanently disqualifying crimes. This would permit over 400 offenders who committed very serious crimes to potentially obtain a set aside to provide direct contact services to children and other vulnerable individuals.

Finally, S.F. 3166 contains a provision to amend Section 245C.24 to expressly permit a set aside for a person convicted of participating in a felony drive-by shooting, for the purpose of working in a correctional facility. Felony drive-by shooting is rightfully identified as a crime that results in a permanent disqualification. The serious and violent nature of the permanent disqualification crimes is the reason why the Legislature identified them as offenses that result in a permanent disqualification. It fundamentally undermines public policy to statutorily carve out an exception for the purpose of satisfying the specific employment desires of a single constituent.

I am also concerned about this bill's amendment to current laws that afford privacy to birth parents who placed a child for adoption before 1977. Under current law, birth parents are notified that birth records eventually become accessible to the adopted child unless a birth parent files an affidavit

opposing release of his or her personally identifying information. However, before 1977, adoption records and the original birth record were sealed. Birth parents that placed a child for adoption were promised that their information would be sealed and kept confidential.

Because of this promise of confidentiality, existing law has always treated pre-adoption birth records from before 1977 with a presumption of confidentiality. For example, when the Legislature established a procedure for an adopted person to request disclosure of the person's pre-adoption birth record from the State Registrar, the procedure required notice of the request to the birth parents and an opportunity for either parent to consent or object to the release of his or her personally identifying information. If the birth parents could not be located, or objected to release, a court review process was required for the disclosure of information.

This bill would erase the long-standing presumption of confidentiality for adoptions occurring before 1977 and make those records accessible in the same manner as more recent adoptions. Pre-adoption birth records and personally identifying information would be accessible to the adopted child at age 19 unless the birth parent has affirmatively filed an affidavit opposing release. This bill does not require notice to the pre-1977 birth parents, only posted notices on adoption websites. Accordingly, pre-1977 birth parents are unlikely to receive any actual or meaningful notice of the potential release of personally identifying information.

Although many birth parents may not object to the release of the pre-adoption birth certificate, a significant number choose to preserve confidentiality. Statistics available from Lutheran Social Services indicate that, on average, 23 percent of the birth mothers contacted declined to release identifying information. Releasing this information without their knowledge or consent has the potential to undermine the law and promises that existed for pre-1977 birth parents.

Additionally, this bill would allow release of birth records if the birth parent is deceased. This eliminates any ability of the birth parent to maintain confidentiality and could impact surviving family members.

Before 1977, the law supported a birth parent's expectation their identity and birth records would be forever sealed and confidential. Breaching the promise of confidentiality previously given to these birth parents is not appropriate. Any change to their legitimate expectation of confidentiality must include meaningful notice of the change to the law and an opportunity to protect confidentiality.

The non-controversial child welfare and early childhood development provisions in this bill (Articles 1 and 3) strengthen policies and supports for vulnerable children in our state and will help Minnesota access federal funding. It is important that we work together to enact these provisions as soon as possible. I hope the Legislature will act to pass these provisions before the end of the 2008 session, unencumbered by the controversial amendments.

Sincerely,
Tim Pawlenty, Governor

Senator Pogemiller moved that S.F. No. 3166 and the veto message thereon be laid on the table. The motion prevailed.

May 15, 2008

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

I have vetoed and am returning Chapter 324, Senate File 1128, a bill that mandates expanded sick leave benefits.

The ability of working family members to assist in care-giving is increasingly important. Many private sector employers have largely acknowledged this position and have shifted away from the use of "sick leave" and moved toward granting "personal time" off, which is not limited to sickness and affords employees flexibility as to the reasons they take time off from work. This bill would not apply to such employers.

Most government employers, however, are not unilaterally free to move toward personal time policies. The terms and conditions of employment are established through collective bargaining between government employers and the employee unions. For public sector employers, sick leave and its usage should be left to the give and take of collective bargaining, not mandated by the state.

Local governments have opposed this bill because it is an unfunded mandate that expands sick leave benefits outside of the collective bargaining process. To the extent language in the bill sought to exempt employers, including the state or local governments, from full application of this bill's mandate, the language does not appear to achieve this result.

State law generally trumps the provisions of policies or collective bargaining agreements. The attempt to preserve the terms of labor agreements from the requirements of this bill is limited to existing labor contracts. When the existing contracts expire, as they are required to under state law, the full mandates of this bill would apply. This would have a significant fiscal impact on the state and local governments. In addition, the existing contract terms are allowed to remain in effect only if they allow use of sick leave for each of the mandated categories set forth in the bill. Most existing contracts will not meet this narrow exemption and will be potentially subject to the full mandate of the bill. If this is not the intent of the bill, the language is poorly drafted.

The bill's application to the state would trigger additional costs at a time when our budget is already strained. The bill is also an unfunded mandate on local units of government, and it interferes with collective bargaining. Mandating increased costs on public entities such as school districts and local governments at this time is unwise.

For these reasons, I am vetoing this bill.

Sincerely,
Tim Pawlenty, Governor

Senator Pogemiller moved that S.F. No. 1128 and the veto message thereon be laid on the table. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 3224: A bill for an act relating to transportation; authorizing creation of Advisory Committee on Nonmotorized Transportation; proposing coding for new law in Minnesota Statutes, chapter 174.

Senate File No. 3224 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 15, 2008

Senator Dibble moved that S.F. No. 3224 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 3594: A bill for an act relating to commerce; regulating real estate transactions; defining terms; amending Minnesota Statutes 2006, sections 60A.06, subdivision 1; 68A.04; 82.49.

Senate File No. 3594 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 15, 2008

CONCURRENCE AND REPASSAGE

Senator Scheid moved that the Senate concur in the amendments by the House to S.F. No. 3594 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 3594 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Clark	Dille	Frederickson	Higgins
Betzold	Dahle	Doll	Gerlach	Ingebrigtsen
Bonoff	Day	Fischbach	Gimse	Johnson
Carlson	Dibble	Foley	Hann	Jungbauer

Koch	Marty	Ortman	Saxhaug	Tomassoni
Kubly	Metzen	Pappas	Scheid	Torres Ray
Langseth	Michel	Pogemiller	Senjem	Vandever
Larson	Moua	Prettner Solon	Sheran	Vickerman
Latz	Murphy	Robling	Sieben	Wergin
Limmer	Olseen	Rosen	Skoe	Wiger
Lourey	Olson, G.	Rummel	Sparks	
Lynch	Olson, M.	Saltzman	Stumpf	

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

REPORTS OF COMMITTEES

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which were referred the following appointments:

METROPOLITAN COUNCIL

Margaret "Peggy" Leppik

Kris Sanda

Roger Scherer

Mary Hill Smith

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

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

Senator Rest from the Committee on State and Local Government Operations and Oversight, to which were referred the following appointments:

MINNESOTA RACING COMMISSION

Kernal C. Buhler

Jesse M. Overton

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

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

MOTIONS AND RESOLUTIONS

Senator Sieben introduced –

Senate Resolution No. 219: A Senate resolution honoring Alyce Hilda Burman Peterson on her 90th birthday as she celebrates a long, active life filled with memories of loving family and friends.

Referred to the Committee on Rules and Administration.

Senator Sieben introduced –

Senate Resolution No. 220: A Senate resolution honoring Hastings resident Judy Gilbert for her long-time service to the community as she retires from her position with Dakota County Courts and enters the next great adventure of her life.

Referred to the Committee on Rules and Administration.

Senator Doll introduced –

Senate Resolution No. 221: A Senate resolution honoring Permac Industries for being named 2008 Small Business of the Year.

Referred to the Committee on Rules and Administration.

Senator Michel introduced –

Senate Resolution No. 222: A Senate resolution congratulating Mackenzie Morris for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Michel introduced –

Senate Resolution No. 223: A Senate resolution congratulating Mike Sheehan of Edina, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Michel introduced –

Senate Resolution No. 224: A Senate resolution congratulating Colton Cerny of Edina, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Michel introduced –

Senate Resolution No. 225: A Senate resolution congratulating Matthew Smith of Edina, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Michel introduced –

Senate Resolution No. 226: A Senate resolution congratulating Nick Hanson of Bloomington, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Michel introduced –

Senate Resolution No. 227: A Senate resolution congratulating Calvin Crouch of Richfield, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Michel introduced –

Senate Resolution No. 228: A Senate resolution congratulating Spencer Herda of Edina, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Michel introduced –

Senate Resolution No. 229: A Senate resolution congratulating Michael Schaeppi of Edina, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Saltzman moved that her name be stricken as chief author, shown as a co-author, and the name of Senator Murphy be shown as chief author to S.F. No. 2925. The motion prevailed.

Senator Lourey moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Berglin be added as chief author to S.F. No. 3780. The motion prevailed.

Senator Larson moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Anderson be added as chief author to S.F. No. 3649. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Marty, Torres Ray, Higgins, Pappas and Moua introduced–

S.F. No. 3880: A bill for an act relating to marriage; providing for gender-neutral marriage laws; enacting the Marriage and Family Protection Act; amending Minnesota Statutes 2006, sections 363A.27; 517.01; 517.03, subdivision 1; 517.08, subdivision 1a; 517.09.

Referred to the Committee on Judiciary.

Senators Olson, M.; Anderson; Koering; Dille and Chaudhary introduced–

S.F. No. 3881: A bill for an act relating to natural resources; creating an ombudsman position; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Stumpf moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Wiger be shown as chief author to S.F. No. 3871. The motion prevailed.

Pursuant to Rule 26, Senator Pogemiller, Chair of the Committee on Rules and Administration, designated S.F. No. 3871 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 3871: A bill for an act relating to education finance; modifying school debt provisions; amending Minnesota Statutes 2006, sections 123B.77, subdivision 3; 123B.81, subdivisions 3, 5; Minnesota Statutes 2007 Supplement, section 123B.81, subdivision 4.

Senator Wiger moved to amend S.F. No. 3871 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2006, section 123B.02, subdivision 21, is amended to read:

Subd. 21. **Wind energy conversion system.** The board, or more than one board acting jointly under the authority granted by section 471.59, may construct, acquire, own in whole or in part, operate, and sell and retain and spend the payment received from selling energy from a wind energy conversion system, as defined in section 216C.06, subdivision 19. The board's share of the installed capacity of the wind energy conversion systems authorized by this subdivision must not exceed 3.3 megawatts of nameplate capacity. A board owning, operating, or selling energy from a wind energy conversion system must integrate information about wind energy conversion systems in its educational programming. The board, or more than one board acting jointly under the authority granted by section 471.59, may be a limited partner in a partnership, a member of a limited liability company, or a shareholder in a corporation, established for the sole purpose of constructing, acquiring, owning in whole or in part, financing, or operating a wind energy conversion system for the benefit of the district or districts in accordance with this section.

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

Sec. 2. Minnesota Statutes 2006, section 123B.14, subdivision 7, is amended to read:

Subd. 7. **Clerk records.** The clerk shall keep a record of all meetings of the district and the board in books provided by the district for that purpose. The clerk shall, within three days after an election, notify all persons elected of their election. By ~~August~~ September 15 of each year the clerk shall file with the board a report of the revenues, expenditures and balances in each fund for the preceding fiscal year. The report together with vouchers and supporting documents shall subsequently be examined by a public accountant or the state auditor, either of whom shall be paid by the district, as provided in section 123B.77, subdivision 3. The board shall by resolution approve

the report or require a further or amended report. By ~~August~~ September 15 of each year, the clerk shall make and transmit to the commissioner certified reports, showing:

- ~~(1) The condition and value of school property;~~
- ~~(2)~~ (1) The revenues and expenditures in detail, and such other financial information required by law, rule, or as may be called for by the commissioner;
- ~~(3)~~ (2) The length of school term and the enrollment and attendance by grades; and
- ~~(4)~~ (3) Such other items of information as may be called for by the commissioner.

The clerk shall enter in the clerk's record book copies of all reports and of the teachers' term reports, as they appear in the registers, and of the proceedings of any meeting as furnished by the clerk pro tem, and keep an itemized account of all the expenses of the district. The clerk shall furnish to the auditor of the proper county, by ~~October 10~~ September 30 of each year, an attested copy of the clerk's record, showing the amount of ~~money proposed property taxes~~ voted by the district or the board for school purposes; draw and sign all orders upon the treasurer for the payment of money for bills allowed by the board for salaries of officers and for teachers' wages and all claims, to be countersigned by the chair. Such orders must state the consideration, payee, and the fund and the clerk shall take a receipt therefor. Teachers' wages shall have preference in the order in which they become due, and no money applicable for teachers' wages shall be used for any other purpose, nor shall teachers' wages be paid from any fund except that raised or apportioned for that purpose.

Sec. 3. Minnesota Statutes 2007 Supplement, section 123B.143, subdivision 1, is amended to read:

Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary school must employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent must be vested in the board in all cases. An individual employed by a board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A board, at its discretion, may or may not renew an employment contract. A board must not, by action or inaction, extend the duration of an existing employment contract. Beginning 365 days prior to the expiration date of an existing employment contract, a board may negotiate and enter into a subsequent employment contract to take effect upon the expiration of the existing contract. A subsequent contract must be contingent upon the employee completing the terms of an existing contract. If a contract between a board and a superintendent is terminated prior to the date specified in the contract, the board may not enter into another superintendent contract with that same individual that has a term that extends beyond the date specified in the terminated contract. A board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall not rely upon an employment contract with a board to assert any other continuing contract rights in the position of superintendent under section 122A.40. Notwithstanding the provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services

based on order of employment in a contracting district. The superintendent of a district shall perform the following:

- (1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;
- (2) recommend to the board employment and dismissal of teachers;
- (3) superintend school grading practices and examinations for promotions;
- (4) make reports required by the commissioner;
- (5) by ~~January~~ August 10, 2009, and each year thereafter, submit an annual report to the commissioner in a manner prescribed by the commissioner, in consultation with school districts, ~~identifying the expenditures that the district requires to ensure an 80 percent student passage rate on the MCA-Its taken in the eighth grade,~~ identifying the highest student passage rate the district expects it will be able to attain on the MCA-Its GRAD by grade 12, and the amount of expenditures that the district requires to attain the targeted student passage rate; and
- (6) perform other duties prescribed by the board.

Sec. 4. Minnesota Statutes 2006, section 123B.77, subdivision 3, is amended to read:

Subd. 3. Statement for comparison and correction. (a) By November 30 of the calendar year of the submission of the unaudited financial data, the district must provide to the commissioner audited financial data for the preceding fiscal year. The audit must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, and the Minnesota legal compliance guide issued by the Office of the State Auditor. An audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited financial data shall be submitted to the commissioner and the state auditor by December 31. The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance and a copy of the management letter submitted to the district by the school district's auditor.

(b) By ~~January~~ February 15 of the calendar year following the submission of the unaudited financial data, the commissioner shall convert the audited financial data required by this subdivision into the consolidated financial statement format required under subdivision 1a and publish the information on the department's Web site.

Sec. 5. Minnesota Statutes 2006, section 123B.81, subdivision 3, is amended to read:

Subd. 3. Debt verification. The commissioner shall establish a uniform auditing or other verification procedure for districts to determine whether a statutory operating debt exists in any Minnesota school district as of ~~June 30, 1977~~. ~~This procedure must identify all interfund transfers made during fiscal year 1977 from a fund included in computing statutory operating debt to a fund not included in computing statutory operating debt.~~ The standards for this uniform auditing or verification procedure must be promulgated by the state board pursuant to chapter 14. If a district applies to the commissioner for a statutory operating debt verification ~~or if the unaudited financial statement for the school year ending June 30, 1977 reveals that a statutory operating debt might exist,~~ the commissioner shall require a verification of the amount of the statutory operating debt which actually does exist.

Sec. 6. Minnesota Statutes 2007 Supplement, section 123B.81, subdivision 4, is amended to read:

Subd. 4. **Debt elimination.** If an audit or other verification procedure conducted pursuant to subdivision 3 determines that a statutory operating debt exists, a district must follow the procedures set forth in ~~this~~ section 123B.83 to eliminate this statutory operating debt.

Sec. 7. Minnesota Statutes 2006, section 123B.81, subdivision 5, is amended to read:

Subd. 5. **Certification of debt.** The commissioner shall certify the amount of statutory operating debt for each district. ~~Prior to June 30, 1979, the commissioner may, on the basis of corrected figures, adjust the total amount of statutory operating debt certified for any district.~~

Sec. 8. Minnesota Statutes 2006, section 123B.83, subdivision 3, is amended to read:

Subd. 3. **Failure to limit expenditures.** If a district does not limit its expenditures in accordance with this section, the commissioner may so notify the appropriate committees of the legislature by no later than ~~January 4~~ February 15 of the year following the end of that fiscal year.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. **[1.1499] STATE SPORT.**

Ice hockey is adopted as the official sport of the state of Minnesota.

Sec. 2. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision to read:

Subd. 8a. **Access to student records; school conferences.** (a) A parent or guardian of a student may designate an individual, defined under paragraph (c), to participate in a school conference involving the child of the parent or guardian. The parent or guardian must provide the school with prior written consent allowing the significant individual to participate in the conference and to receive any data on the child of the consenting parent or guardian that is necessary and relevant to the conference discussions. The consenting parent or guardian may withdraw consent, in writing, at any time.

(b) A school may accept the following form, or another consent to release student data form, as sufficient to meet the requirements of this subdivision:

"CONSENT TO PARTICIPATE IN CONFERENCES AND RECEIVE STUDENT DATA

I, (Name of parent or guardian), as parent or guardian of (Name of child), consent to allow (Name of an individual) to participate in school conferences and receive student data relating to the above-named child, consistent with Minnesota Statutes, section 13.32, subdivision 8a. I understand that I may withdraw my consent, upon written request, at any time.

(Signature of parent or guardian)

(Date)"

(c) For purposes of this section, "an individual" means one additional adult designated by a

child's parent or guardian to attend school-related activities and conferences.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 3. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision to read:

Subd. 11. **Data to improve instruction.** The Minnesota Department of Education and the Minnesota Office of Higher Education may each share educational data with the other agency for the purpose of analyzing and improving school district instruction, consistent with Code of Federal Regulations, title 34, section 99.31(a)(6). The educational data that may be shared between the two agencies under this subdivision must be limited to:

(1) student attendance data that include the name of the school or institution, school district, the year or term of attendance, and term type;

(2) student demographic and enrollment data;

(3) student academic performance and testing data; and

(4) any special academic services provided to a student.

Any analysis of or report on these data must contain only summary data.

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

Sec. 4. Minnesota Statutes 2006, section 120A.22, subdivision 5, is amended to read:

Subd. 5. **Ages and terms.** (a) For the 2008-2009, 2009-2010, and 2010-2011 school years, every child between age seven and 16 years of age must receive instruction. For the 2011-2012 and later school years, every child between age seven or enrollment in first grade and 18 years of age must receive instruction unless the child has completed the requirements for graduation. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction. ~~Except as provided in subdivision 6, a parent may withdraw a child under the age of seven from enrollment at any time.~~

(b) A school district by annual board action may require children subject to this subdivision to receive instruction in summer school. A district that acts to require children to receive instruction in summer school shall establish at the time of its action the criteria for determining which children must receive instruction.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 5. Minnesota Statutes 2006, section 120A.22, subdivision 6, is amended to read:

Subd. 6. **Children under seven.** (a) Once a pupil under the age of seven is enrolled in ~~kindergarten~~ first grade or a higher grade in a public school, the pupil is subject to the compulsory attendance provisions of this chapter and section 120A.34, unless the board of the district in which the pupil is enrolled has a policy that exempts children under seven from this subdivision or paragraph (b) applies.

~~(b) In a district in which children under seven are subject to compulsory attendance under this subdivision, paragraphs (c) to (e) apply.~~

~~(e) A parent or guardian may withdraw the pupil from enrollment in the school for good cause by notifying the district. Good cause includes, but is not limited to, enrollment of the pupil in another school, as defined in subdivision 4, or the immaturity of the child.~~

~~(d) When the pupil enrolls, the enrolling official must provide the parent or guardian who enrolls the pupil with a written explanation of the provisions of this subdivision.~~

~~(e) A pupil under the age of seven who is withdrawn from enrollment in the public school under paragraph (e) is no longer subject to the compulsory attendance provisions of this chapter.~~

~~(f) (b) This subdivision does not apply to:~~

~~(1) a kindergartner under age seven whose parent withdraws the child after notifying the district; and~~

~~(2) a child under age seven enrolled in first grade whose parent withdraws the child after notifying the district and enrolls the child in another school under subdivision 4.~~

~~(c) In a district that had adopted a policy to exempt children under seven from this subdivision, the district's chief attendance officer must keep the truancy enforcement authorities supplied with a copy of the board's current policy certified by the clerk of the board.~~

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 6. Minnesota Statutes 2006, section 120A.24, subdivision 1, is amended to read:

Subdivision 1. **Reports to superintendent.** The person in charge of providing instruction to a child between the ages of seven and 16 must submit the following information to the superintendent of the district in which the child resides:

(1) by October 1 of each school year, the name, birth date, and address of each child receiving instruction;

(2) the name of each instructor and evidence of compliance with one of the requirements specified in section 120A.22, subdivision 10;

(3) an annual instructional calendar; and

(4) for each child instructed by a parent who meets only the requirement of section 120A.22, subdivision 10, clause (6), a quarterly report card on the achievement of the child in each subject area required in section 120A.22, subdivision 9.

Sec. 7. Minnesota Statutes 2006, section 120B.02, is amended to read:

120B.02 EDUCATIONAL EXPECTATIONS FOR MINNESOTA'S STUDENTS.

(a) The legislature is committed to establishing rigorous academic standards for Minnesota's public school students. To that end, the commissioner shall adopt in rule statewide academic standards. The commissioner shall not prescribe in rule or otherwise the delivery system, classroom assessments, or form of instruction that school sites must use. For purposes of this chapter, a school site is a separate facility, or a separate program within a facility that a local school board recognizes as a school site for funding purposes.

(b) All commissioner actions regarding the rule must be premised on the following:

(1) the rule is intended to raise academic expectations for students, teachers, and schools;

(2) any state action regarding the rule must evidence consideration of school district autonomy;
and

(3) the Department of Education, with the assistance of school districts, must make available information about all state initiatives related to the rule to students and parents, teachers, and the general public in a timely format that is appropriate, comprehensive, and readily understandable.

(c) When fully implemented, the requirements for high school graduation in Minnesota must require students to satisfactorily complete, as determined by the school district, the course credit requirements under section 120B.024 and: successfully pass graduation examinations as required under section 120B.30.

~~(1) for students enrolled in grade 8 before the 2005-2006 school year, to pass the basic skills test requirements; and~~

~~(2) for students enrolled in grade 8 in the 2005-2006 school year and later, to pass the Minnesota Comprehensive Assessments Second Edition (MCA-II).~~

(d) The commissioner shall periodically review and report on the state's assessment process.

(e) School districts are not required to adopt specific provisions of the federal School-to-Work programs.

Sec. 8. Minnesota Statutes 2007 Supplement, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** (a) The following subject areas are required for statewide accountability:

(1) language arts;

(2) mathematics;

(3) science;

(4) social studies, including history, geography, economics, and government and citizenship;

(5) physical education;

(6) health and physical education, for which locally developed academic standards apply; and

~~(6)~~(7) the arts, for which statewide or locally developed academic standards apply, as determined by the school district. Public elementary and middle schools must offer at least three and require at least two of the following four arts areas: dance; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

(b) To satisfy this subdivision and the one-half credit physical education requirement under section 120B.024, paragraph (a), clause (6), the state physical education standard under paragraph (a) of this subdivision selected by a school district must be consistent with either the six physical

education standards developed by the department's quality teaching network or the six National Physical Education Standards developed by the National Association for Sport and Physical Education. To satisfy federal reporting requirements for continued funding under Title VII of the Physical Education for Progress Act, a school district must notify the department, if applicable, of its intent to comply with this subdivision. School districts and charter schools also must use either the department's physical education standards or the national physical education standards under this paragraph to comply with paragraph (a), clause (5), in providing physical education instruction and programs to students in kindergarten through grade 8.

(c) The commissioner must submit proposed standards in science and social studies to the legislature by February 1, 2004.

(d) For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, ~~except the very few students with extreme cognitive or physical impairments for whom an individualized education plan team has determined that the required academic standards are inappropriate. An individualized education plan team that makes this determination must establish alternative standards with appropriate~~ alternate achievement standards based on these academic standards for students with individualized education plans as described under federal law.

(e) A school district, no later than the 2007-2008 school year, must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule. A school district that incorporates these state graduation requirements before the 2007-2008 school year must provide students who enter the 9th grade in or before the 2003-2004 school year the opportunity to earn a diploma based on existing locally established graduation requirements in effect when the students entered the 9th grade. District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

(f) The commissioner must include the contributions of Minnesota American Indian tribes and communities as they relate to the academic standards during the review and revision of the required academic standards.

EFFECTIVE DATE. This section is effective the day following final enactment except that paragraph (a), clause (5), applies to students entering the ninth grade in the 2009-2010 school year and later.

Sec. 9. Minnesota Statutes 2006, section 120B.021, subdivision 1a, is amended to read:

Subd. 1a. **Rigorous course of study; waiver.** (a) Upon receiving a student's application signed by the student's parent or guardian, a school district, area learning center, or charter school must declare that a student meets or exceeds a specific academic standard required for graduation under this section if the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors determines that the student:

(1) is participating in a course of study, including an advanced placement or international baccalaureate course or program; a learning opportunity outside the curriculum of the district, area learning center, or charter school; or an approved preparatory program for employment or postsecondary education that is equally or more rigorous than the corresponding state or local academic standard required by the district, area learning center, or charter school;

(2) would be precluded from participating in the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program if the student were required to achieve the academic standard to be waived; and

(3) satisfactorily completes the requirements for the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program.

Consistent with the requirements of this section, the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors also may formally determine other circumstances in which to declare that a student meets or exceeds a specific academic standard that the site requires for graduation under this section.

(b) A student who satisfactorily completes a postsecondary enrollment options course or program under section 124D.09, or an advanced placement or international baccalaureate course or program under section 120B.13, is not required to complete other requirements of the academic standards corresponding to that specific rigorous course of study.

(c) A school board may exempt a student from the physical education graduation requirement under section 120B.024, if the board declares that the student demonstrated mastery of the subject matter or participation in another learning opportunity, including a Minnesota High School League athletic activity, that meets or exceeds the physical education standards required for graduation. This waiver does not reduce the total credits required for graduation.

Sec. 10. Minnesota Statutes 2006, section 120B.023, subdivision 2, is amended to read:

Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

(b) The commissioner in the 2006-2007 school year must revise and align the state's academic standards and high school graduation requirements in mathematics to require that students satisfactorily complete the revised mathematics standards, beginning in the 2010-2011 school year. Under the revised standards:

(1) students must satisfactorily complete an algebra I credit by the end of eighth grade; and

(2) students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete an algebra II credit or its equivalent.

The commissioner also must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 ~~and 11~~ beginning in the 2010-2011 school year are aligned with the state academic standards in mathematics. The commissioner must ensure that the statewide 11th grade mathematics test assessment administered to students under clause (2) in grade 11 beginning in the 2013-2014 school year must include is aligned with state academic standards in mathematics, including algebra II test items that are aligned with corresponding state academic standards in mathematics. The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2010-2011 school year. The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year.

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. The commissioner also must ensure that the statewide science assessments administered to students under section 120B.30, subdivision 1a, beginning in the 2011-2012 school year, are aligned with the state academic standards in science. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry or physics credit. The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year.

(e) The commissioner in the 2009-2010 school year must revise and align the state's academic standards and high school graduation requirements in language arts to require that students satisfactorily complete the revised language arts standards beginning in the 2012-2013 school year. The commissioner also must ensure that the statewide language arts assessments administered to students in grades 3 through 8 and grade 10 beginning in the 2012-2013 school year are aligned with the state academic standards in language arts. The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year.

(f) The commissioner in the 2010-2011 school year must revise and align the state's academic standards and high school graduation requirements in social studies to require that students satisfactorily complete the revised social studies standards beginning in the 2013-2014 school year. The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, physical education, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, physical education, world languages, and career and technical education.

Sec. 11. Minnesota Statutes 2007 Supplement, section 120B.024, is amended to read:

120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.

(a) Students beginning 9th grade in the 2004-2005 school year and later must successfully complete the following high school level course credits for graduation:

- (1) four credits of language arts;
- (2) three credits of mathematics, encompassing at least algebra, geometry, statistics, and probability sufficient to satisfy the academic standard;
- (3) three credits of science, including at least one credit in biology;

(4) three and one-half credits of social studies, encompassing at least United States history, geography, government and citizenship, world history, and economics or three credits of social studies encompassing at least United States history, geography, government and citizenship, and world history, and one-half credit of economics taught in a school's social studies, agriculture education, or business department;

(5) one credit in the arts; ~~and~~

(6) one-half credit of physical education; and

(7) a minimum of ~~seven~~ six and one-half elective course credits.

A course credit is equivalent to a student successfully completing an academic year of study or a student mastering the applicable subject matter, as determined by the local school district.

(b) An agriculture science course may fulfill a science credit requirement in addition to the specified science credits in biology and chemistry or physics under paragraph (a), clause (3).

(c) A career and technical education course may fulfill a science, mathematics, or arts credit requirement in addition to the specified science, mathematics, or arts credits under paragraph (a), clause (2), (3), or (5).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to students entering ninth grade in the 2009-2010 school year and later.

Sec. 12. Minnesota Statutes 2007 Supplement, section 120B.30, is amended to read:

120B.30 STATEWIDE TESTING AND REPORTING SYSTEM.

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed from and aligned with the state's required academic standards under section 120B.021 and administered annually to all students in grades 3 through 8 and at the high school level. A state-developed test in a subject other than writing, ~~developed after the 2002-2003 school year,~~ must include both machine-scoreable and constructed response questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. Schools that the commissioner identifies for stand-alone field testing or other national sampling must participate as directed. Superintendents or charter school directors may appeal in writing to the commissioner for an exemption from a field test based on undue hardship. The commissioner's decision regarding the appeal is final. For students enrolled in grade 8 before the 2005-2006 school year, only Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students' basic skills testing requirements for a passing state notation. The passing scores of basic skills tests in reading and mathematics are the equivalent of 75 percent correct for students entering grade 9 ~~in 1997 and thereafter,~~ as based on the first uniform test ~~administration of~~ administered in February 1998.

(b) For students enrolled in grade 8 in the 2005-2006 school year and later, only the following options shall fulfill students' state graduation test requirements:

(1) for reading and mathematics:

(i) obtaining an achievement level equivalent to or greater than proficient as determined through a standard setting process on the Minnesota comprehensive assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing score as determined through a standard setting process on the graduation-required assessment for diploma in grade 10 for reading and grade 11 for mathematics or subsequent retests;

(ii) achieving a passing score as determined through a standard setting process on the state-identified language proficiency test in reading and the mathematics test for English language learners or the graduation-required assessment for diploma equivalent of those assessments for students designated as English language learners;

(iii) achieving an individual passing score on the graduation-required assessment for diploma as determined by appropriate state guidelines for students with an individual education plan or 504 plan;

(iv) obtaining achievement level equivalent to or greater than proficient as determined through a standard setting process on the state-identified alternate assessment or assessments in grade 10 for reading and grade 11 for mathematics for students with an individual education plan; or

(v) achieving an individual passing score on the state-identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individual education plan; and

(2) for writing:

(i) achieving a passing score on the graduation-required assessment for diploma;

(ii) achieving a passing score as determined through a standard setting process on the state-identified language proficiency test in writing for students designated as English language learners;

(iii) achieving an individual passing score on the graduation-required assessment for diploma as determined by appropriate state guidelines for students with an individual education plan or 504 plan; or

(iv) achieving an individual passing score on the state-identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individual education plan.

(c) The 3rd through 8th grade and high school level test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must disseminate to the public the test results upon receiving those results.

(d) State tests must be constructed and aligned with state academic standards. The commissioner shall determine the testing process and the order of administration ~~shall be determined by the commissioner~~. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

(e) In addition to the testing and reporting requirements under this section, the commissioner shall include the following components in the statewide public reporting system:

(1) uniform statewide testing of all students in grades 3 through 8 and at the high school level that provides appropriate, technically sound accommodations, alternate assessments, or exemptions consistent with applicable federal law, only with parent or guardian approval, for those very few students for whom the student's individual education plan team under sections 125A.05 and 125A.06 determines that the general statewide test is inappropriate for a student, or for a limited English proficiency student under section 124D.59, subdivision 2;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) state results on the American College Test; and

(4) state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

Subd. 1a. **Statewide and local assessments; results.** (a) The commissioner must develop reading, mathematics, and science assessments aligned with state academic standards that districts and sites must use to monitor student growth toward achieving those standards. The commissioner must not develop statewide assessments for academic standards in social studies, health and physical education, and the arts. The commissioner must require:

(1) annual reading and mathematics assessments in grades 3 through 8 and at the high school level for the 2005-2006 school year and later; and

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through 9 8 span, and a life sciences assessment in the grades ~~10~~ 9 through 12 span for the 2007-2008 school year and later.

(b) The commissioner must ensure that all statewide tests administered to elementary and secondary students measure students' academic knowledge and skills and not students' values, attitudes, and beliefs.

(c) Reporting of assessment results must:

(1) provide timely, useful, and understandable information on the performance of individual students, schools, school districts, and the state;

(2) include, by no later than the 2008-2009 school year, a value-added component that is in addition to a measure for student achievement growth over time; and

(3)(i) for students enrolled in grade 8 before the 2005-2006 school year, determine whether students have met the state's basic skills requirements; and

(ii) for students enrolled in grade 8 in the 2005-2006 school year and later, determine whether students have met the state's academic standards.

(d) Consistent with applicable federal law and subdivision 1, paragraph (d), clause (1), the commissioner must include appropriate, technically sound accommodations or alternative assessments for the very few students with disabilities for whom statewide assessments are inappropriate and for students with limited English proficiency.

(e) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student ~~progress in achieving the~~ proficiency in the context of the state's grade level academic standards. If a state assessment is not available, a school, school district, and charter school must determine locally if a student has met the required academic standards. A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript.

Subd. 2. **Department of Education assistance.** The Department of Education shall contract for professional and technical services according to competitive bidding procedures under chapter 16C for purposes of this section.

Subd. 3. **Reporting.** The commissioner shall report test data publicly and to stakeholders, including the performance achievement levels developed from students' unweighted test scores in each tested subject and a listing of demographic factors that strongly correlate with student performance. The commissioner shall also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations. The commissioner shall disseminate to schools and school districts a more comprehensive report containing testing information that meets local needs for evaluating instruction and curriculum.

Subd. 4. **Access to tests.** The commissioner must adopt and publish a policy to provide public and parental access for review of basic skills tests, Minnesota Comprehensive Assessments, or any other such statewide test and assessment. Upon receiving a written request, the commissioner must make available to parents or guardians a copy of their student's actual responses to the test questions ~~to be reviewed by the parent~~ for their review.

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

Sec. 13. Minnesota Statutes 2006, section 121A.035, subdivision 2, is amended to read:

Subd. 2. **School district and charter school policy.** A school board and a charter school must adopt a crisis management policy to address potential violent crisis situations in the district or charter school. The policy must be developed cooperatively with administrators, teachers, employees, students, parents, community members, law enforcement agencies, other emergency management officials, county attorney offices, social service agencies, emergency medical responders, and any other appropriate individuals or organizations. The policy must include at least five school lock-down drills, five school fire drills consistent with section 299F.30, ~~and~~ one tornado drill, and an expectation that students be present and participate in these drills.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 14. Minnesota Statutes 2006, section 121A.037, is amended to read:

121A.037 SCHOOL SAFETY DRILLS.

Private schools and educational institutions not subject to section 121A.035 must have at least five school lock-down drills, five school fire drills consistent with section 299F.30, ~~and~~ one tornado drill, and an expectation that students be present and participate in these drills.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 15. [121A.215] LOCAL SCHOOL DISTRICT WELLNESS POLICIES; WEB SITE.

When available, a school district must post its current local school wellness policy on its Web site.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 16. Minnesota Statutes 2006, section 122A.06, subdivision 4, is amended to read:

Subd. 4. **Comprehensive, scientifically based reading instruction.** (a) "Comprehensive, scientifically based reading instruction" includes a program or collection of instructional practices that is based on ~~reliable~~, valid, replicated evidence showing that when these programs or practices are used, students can be expected to achieve, at a minimum, satisfactory reading progress. The program or collection of practices must include, at a minimum, instruction in five areas of reading: phonemic awareness, phonics, fluency, vocabulary development, and ~~text~~ reading comprehension.

Comprehensive, scientifically based reading instruction also includes and integrates instructional strategies for continuously assessing, evaluating, and communicating the student's reading progress and needs in order to design and implement ongoing interventions so that students of all ages and proficiency levels can read and comprehend text and apply higher level thinking skills.

(b) "Phonemic awareness" is the ability of students to notice, think about, and manipulate the individual sounds in spoken syllables and words.

(c) "Phonics" is the understanding that there are systematic and predictable relationships between written letters and spoken words. Phonics instruction is a way of teaching reading that stresses learning how letters correspond to sounds and how to apply this knowledge in reading and spelling.

(d) "Fluency" is the ability of students to be able to read orally with speed, accuracy, and proper expression.

(e) "Vocabulary development" is the process of teaching vocabulary both directly and indirectly, with repetition and multiple exposures to vocabulary items. Learning in rich contexts, incidental learning, and use of computer technology all enhance the acquisition of vocabulary.

(f) "Reading comprehension" is an active process that requires intentional thinking during which meaning is constructed through interactions between text and reader. Comprehension skills are taught explicitly by demonstrating, explaining, modeling, and implementing specific cognitive strategies to help beginning readers derive meaning by intentional, problem-solving thinking processes.

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

Sec. 17. Minnesota Statutes 2006, section 122A.07, subdivision 2, is amended to read:

Subd. 2. **Eligibility; board composition.** Except for the representatives of higher education and the public, to be eligible for appointment to the Board of Teaching a person must be a teacher currently teaching in a Minnesota school and fully licensed for the position held and have at least five years teaching experience in Minnesota, including the two years immediately preceding nomination

and appointment. Each nominee, other than a public nominee, must be selected on the basis of professional experience and knowledge of teacher education, accreditation, and licensure. The board must be composed of:

- (1) six teachers who are currently teaching in a Minnesota school or who were teaching at the time of the appointment, at least four of whom must be teaching in a public school;
- (2) one higher education representative, who must be a faculty member preparing teachers;
- (3) one school administrator; and
- (4) three members of the public, two of whom must be present or former members of school boards.

Sec. 18. Minnesota Statutes 2006, section 122A.07, subdivision 3, is amended to read:

Subd. 3. **Vacant position.** With the exception of a teacher who retires from teaching during the course of completing a board term, the position of a member who leaves Minnesota or whose employment status changes to a category different from that from which appointed is deemed vacant.

Sec. 19. Minnesota Statutes 2006, section 122A.09, subdivision 4, is amended to read:

Subd. 4. **License and rules.** (a) The board must adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board must adopt rules requiring a person to successfully complete a skills examination in reading, writing, and mathematics as a requirement for initial teacher licensure. Such rules must require college and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board must adopt rules to approve teacher preparation programs. The board, upon the request of a postsecondary student preparing for teacher licensure or a licensed graduate of a teacher preparation program, shall assist in resolving a dispute between the person and a postsecondary institution providing a teacher preparation program when the dispute involves an institution's recommendation for licensure affecting the person or the person's credentials. At the board's discretion, assistance may include the application of chapter 14.

(d) The board must provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes. The board must require that persons enrolled in a teacher preparation program receive instruction in historical and cultural competencies related to Minnesota American Indian tribes and communities and their contributions to Minnesota, consistent with sections 120B.021, subdivision 1, and 124D.71 to 124D.82. The competencies related to Minnesota American Indian tribes and communities must include, among other components, standards for instructional practices most effective for successfully teaching elementary and secondary American Indian students.

(e) The board must adopt rules requiring successful completion of an examination of general

pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board but not later than September 1, 2001.

(f) The board must adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board must grant licenses to interns and to candidates for initial licenses.

(h) The board must design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) The board must grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and 214.10. The board must not establish any expiration date for application for life licenses.

(k) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in the areas of using positive behavior interventions and in accommodating, modifying, and adapting curricula, materials, and strategies to appropriately meet the needs of individual students and ensure adequate progress toward the state's graduation rule.

(l) In adopting rules to license public school teachers who provide health-related services for disabled children, the board shall adopt rules consistent with license or registration requirements of the commissioner of health and the health-related boards who license personnel who perform similar services outside of the school.

(m) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further reading preparation, consistent with section 122A.06, subdivision 4. The rules do not take effect until they are approved by law. Teachers who do not provide direct instruction including, at least, counselors, school psychologists, school nurses, school social workers, audiovisual directors and coordinators, and recreation personnel are exempt from this section.

(n) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in understanding the key warning signs of early-onset mental illness in children and adolescents.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 20. Minnesota Statutes 2006, section 122A.14, is amended by adding a subdivision to read:

Subd. 2a. Gifted and talented preparation. A university approved by the board to prepare candidates for administrative licensure must provide candidates, as part of the traditional and alternative preparation programs, the opportunity to acquire competency in administering gifted and talented services.

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

to candidates who enroll in either a traditional or an alternative preparation administrator licensure program after August 15, 2009.

Sec. 21. Minnesota Statutes 2006, section 122A.14, is amended by adding a subdivision to read:

Subd. 2c. **Gifted and talented preparation; board review.** (a) The board must periodically review and approve traditional and alternative preparation sequences for school administrators and the sequence of competencies in administering gifted and talented student programs and services.

(b) The board also may advise a university on developing and implementing continuing education programs focused on building competencies for administering gifted and talented programs and other gifted services.

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

Sec. 22. Minnesota Statutes 2006, section 122A.18, subdivision 2, is amended to read:

Subd. 2. Teacher and support personnel qualifications. (a) The Board of Teaching must issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board must require a person to successfully complete an examination of skills in reading, writing, and mathematics before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. In addition, the board must require a person to successfully complete an assessment of reading instruction consistent with subdivision 2c before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten or elementary programs. The board must require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination or an assessment of reading instruction, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking the skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score.

(c) A person who has completed an approved teacher preparation program and obtained a one-year license to teach, but has not successfully completed the skills examination, may renew the one-year license for two additional one-year periods. Each renewal of the one-year license is contingent upon the licensee:

(1) providing evidence of participating in an approved remedial assistance program provided

by a school district or postsecondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and

(2) attempting to successfully complete the skills examination during the period of each one-year license.

(d) The Board of Teaching must grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes successfully completing the skills examination in reading, writing, and mathematics.

(e) All colleges and universities approved by the board of teaching to prepare persons for teacher licensure must include in their teacher preparation programs a common core of teaching knowledge and skills to be acquired by all persons recommended for teacher licensure. This common core shall meet the standards developed by the interstate new teacher assessment and support consortium in its 1992 "model standards for beginning teacher licensing and development." Amendments to standards adopted under this paragraph are covered by chapter 14. The board of teaching shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this paragraph during the most recent school year.

EFFECTIVE DATE. This section is effective January 1, 2011.

Sec. 23. Minnesota Statutes 2006, section 122A.18, subdivision 2a, is amended to read:

Subd. 2a. **Reading strategies.** (a) All colleges and universities approved by the Board of Teaching to prepare persons for classroom teacher licensure must include in their teacher preparation programs research-based best practices in reading, consistent with section 122A.06, subdivision 4, that enable the licensure candidate to know how to teach reading in the candidate's content areas and prepare the licensure candidate, where applicable, for an assessment of reading instruction.

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction in the application of comprehensive, scientifically based, ~~and balanced~~ reading instruction programs that:

(1) teach students to read using foundational knowledge, practices, and strategies consistent with section 122A.06, subdivision 4, so that all students will achieve continuous progress in reading; and

(2) teach specialized instruction in reading strategies, interventions, and remediations that enable students of all ages and proficiency levels to become proficient readers.

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

Sec. 24. Minnesota Statutes 2006, section 122A.18, is amended by adding a subdivision to read:

Subd. 2c. **Assessment of reading instruction.** An assessment of reading instruction, selected by the Board of Teaching, in cooperation with the commissioner of education, must measure, at a minimum, the knowledge, skill, and ability of prekindergarten and elementary licensure candidates in comprehensive, scientifically based reading instruction as defined in section 122A.06. Test content areas must assess foundations of reading development, development of reading comprehension, reading assessment and instruction, and integration of knowledge and

understanding. The Board of Teaching may incorporate the requirements of this subdivision into other teacher licensure examinations.

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

Sec. 25. Minnesota Statutes 2006, section 122A.18, is amended by adding a subdivision to read:

Subd. 10. **Gifted and talented preparation; board review.** (a) A college or university with a teacher preparation program approved by the board must provide teacher candidates with the opportunity to acquire competency in recognizing gifted students and in providing classroom instruction to gifted and talented students.

(b) The board must periodically review and approve traditional and alternative sequences for teacher candidates in recognizing gifted students and in providing classroom instruction to gifted and talented students.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to teacher candidates who enroll in either a traditional or an alternative preparation teacher licensure program after September 1, 2009.

Sec. 26. Minnesota Statutes 2006, section 122A.75, subdivision 1, is amended to read:

Subdivision 1. **Services.** An Administrators Academy is established. The academy shall provide at least the following services:

- (1) an administrator assessment that results in an individual professional development plan;
- (2) research and development assistance that provides current research and data of interest to administrators; ~~and~~
- (3) brokerage assistance to provide services and resources to help administrators with needs identified in their individual professional development plan; and
- (4) the opportunity for administrators to acquire competency in administering gifted and talented services, consistent with section 122A.14, subdivision 2c.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to administrators participating in an administrators academy program after August 1, 2009.

Sec. 27. Minnesota Statutes 2006, section 123B.51, is amended by adding a subdivision to read:

Subd. 5a. **Temporary closing.** A school district that proposes to temporarily close a schoolhouse or that intends to lease the facility to another entity for use as a schoolhouse for three or fewer years is not subject to subdivision 5 if the school board holds a public meeting and allows public comment on the schoolhouse's future.

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

Sec. 28. Minnesota Statutes 2006, section 124D.09, subdivision 5, is amended to read:

Subd. 5. **Authorization; notification.** Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district

under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner within ten days of acceptance. The notice must indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for postsecondary credit only, the institution must notify the pupil about payment in the customary manner used by the institution.

Sec. 29. Minnesota Statutes 2007 Supplement, section 124D.095, subdivision 4, is amended to read:

Subd. 4. **Online learning parameters.** (a) An online learning student must receive academic credit for completing the requirements of an online learning course or program. Secondary credits granted to an online learning student must be counted toward the graduation and credit requirements of the enrolling district. An online learning provider must make available to the enrolling district the course syllabus, standard alignment, content outline, assessment requirements, and contact information for supplemental online courses taken by students in the enrolling district. The enrolling district must apply the same graduation requirements to all students, including online learning students, and must continue to provide nonacademic services to online learning students. If a student completes an online learning course or program that meets or exceeds a graduation standard or grade progression requirement at the enrolling district, that standard or requirement is met. The enrolling district must use the same criteria for accepting online learning credits or courses as it does for accepting credits or courses for transfer students under section 124D.03, subdivision 9. The enrolling district may reduce the course schedule of an online learning student in proportion to the number of online learning courses the student takes from an online learning provider that is not the enrolling district.

(b) An online learning student may:

(1) enroll in supplemental online learning courses during a single school year to a maximum of 50 percent of the student's full schedule of courses per term. A student may exceed the supplemental online learning registration limit if the enrolling district grants permission for supplemental online learning enrollment above the limit, or if an agreement is made between the enrolling district and the online learning provider for instructional services;

(2) complete course work at a grade level that is different from the student's current grade level; and

(3) enroll in additional courses with the online learning provider under a separate agreement that includes terms for payment of any tuition or course fees.

(c) An online learning student has the same access to the computer hardware and education software available in a school as all other students in the enrolling district. An online learning provider must assist an online learning student whose family qualifies for the education tax credit under section 290.0674 to acquire computer hardware and educational software for online learning purposes.

(d) An enrolling district may offer online learning to its enrolled students. Such online learning does not generate online learning funds under this section. Notwithstanding paragraph (e), an enrolling district that offers online learning only to its enrolled students is not subject to the

reporting requirements or review criteria under subdivision 7, unless the enrolling district is a full-time online provider. A teacher with a Minnesota license must assemble and deliver instruction to enrolled students receiving online learning from an enrolling district. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher with a Minnesota license.

(e) An online learning provider ~~that is not the enrolling district~~ is subject to the reporting requirements and review criteria under subdivision 7. A teacher with a Minnesota license must assemble and deliver instruction to online learning students. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher with a Minnesota license. Unless the commissioner grants a waiver, a teacher providing online learning instruction must not instruct more than 40 students in any one online learning course or program.

(f) To enroll in more than 50 percent of the student's full schedule of courses per term in online learning, the student must qualify to exceed the supplemental online learning registration limit under paragraph (b) or apply for enrollment to an approved full-time online learning program following appropriate procedures in subdivision 3, paragraph (a). Full-time online learning students may enroll in classes at a local school per contract for instructional services between the online learning provider and the school district.

Sec. 30. Minnesota Statutes 2007 Supplement, section 124D.095, subdivision 7, is amended to read:

Subd. 7. **Department of Education.** (a) The department must review and certify online learning providers. The online learning courses and programs must be rigorous, aligned with state academic standards, and contribute to grade progression in a single subject. ~~Online learning providers must demonstrate to the commissioner that online learning courses have equivalent standards or instruction, curriculum, and assessment requirements as other courses offered to enrolled students. The online learning provider must also demonstrate expectations for actual teacher contact time or other student-to-teacher communication~~ The online provider must provide written assurance that all courses meet state academic standards, and that the online learning curriculum, instruction and assessment, expectations for actual teacher contact time or other student-to-teacher communication, and academic support meet nationally recognized professional standards and are demonstrated as such in a syllabus provided according to the commissioner's requirements. Once an online learning provider is approved under this paragraph, all of its online learning course offerings are eligible for payment under this section unless a course is successfully challenged by an enrolling district or the department under paragraph (b).

(b) An enrolling district may challenge the validity of a course offered by an online learning provider. The department must review such challenges based on the certification procedures under paragraph (a). The department may initiate its own review of the validity of an online learning course offered by an online learning provider.

(c) The department may collect a fee not to exceed \$250 for certifying online learning providers or \$50 per course for reviewing a challenge by an enrolling district.

(d) The department must develop, publish, and maintain a list of approved online learning

providers and online learning courses and programs that it has reviewed and certified.

Sec. 31. Minnesota Statutes 2006, section 124D.095, subdivision 10, is amended to read:

Subd. 10. **Online Learning Advisory Council.** (a) An Online Learning Advisory Council is established under section 15.059, except that the term for each council member shall be three years. The advisory council is composed of 12 members from throughout the state who have demonstrated experience with or interest in online learning. The members of the council shall be appointed by the commissioner. The advisory council shall bring to the attention of the commissioner any matters related to online learning and provide input to the department in matters related, but not restricted, to:

- (1) quality assurance;
- (2) teacher qualifications;
- (3) program approval;
- (4) special education;
- (5) attendance;
- (6) program design and requirements; and
- (7) fair and equal access to programs.

~~(b) The Online Learning Advisory Council under this subdivision expires June 30, 2008.~~

(b) Notwithstanding section 15.059, subdivision 5, the council expires June 30, 2009.

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

Sec. 32. Minnesota Statutes 2006, section 124D.10, subdivision 2a, is amended to read:

Subd. 2a. **Charter School Advisory Council.** (a) A Charter School Advisory Council is established under section 15.059 except that the term for each council member shall be three years. The advisory council is composed of seven members from throughout the state who have demonstrated experience with or interest in charter schools. The members of the council shall be appointed by the commissioner. The advisory council shall bring to the attention of the commissioner any matters related to charter schools that the council deems necessary and shall:

- (1) encourage school boards to make full use of charter school opportunities;
- (2) encourage the creation of innovative schools;
- (3) provide leadership and support for charter school sponsors to increase the innovation in and the effectiveness, accountability, and fiscal soundness of charter schools;
- (4) serve an ombudsman function in facilitating the operations of new and existing charter schools;
- (5) promote timely financial management training for newly elected members of a charter school board of directors and ongoing training for other members of a charter school board of directors; and

(6) facilitate compliance with auditing and other reporting requirements. The advisory council shall refer all its proposals to the commissioner who shall provide time for reports from the council.

(b) The Charter School Advisory Council under this subdivision expires June 30, ~~2007~~ 2011.

EFFECTIVE DATE. This section is effective retroactively from June 30, 2007.

Sec. 33. Minnesota Statutes 2007 Supplement, section 124D.10, subdivision 4, is amended to read:

Subd. 4. **Formation of school.** (a) A sponsor may authorize one or more licensed teachers under section 122A.18, subdivision 1, to operate a charter school subject to approval by the commissioner. A board must vote on charter school application for sponsorship no later than 90 days after receiving the application. The school must be organized and operated as a cooperative under chapter 308A or nonprofit corporation under chapter 317A and the provisions under the applicable chapter shall apply to the school except as provided in this section. Notwithstanding sections 465.717 and 465.719, a school district may create a corporation for the purpose of creating a charter school.

(b) Before the operators may form and operate a school, the sponsor must file an affidavit with the commissioner stating its intent to authorize a charter school. The affidavit must demonstrate the sponsor's abilities, capacities, and expertise in fulfilling the responsibilities of a sponsor and state the terms and conditions under which the sponsor would authorize a charter school and how the sponsor intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the sponsor and the charter school board of directors under subdivision 6 in the form and manner prescribed by the commissioner. The sponsor must submit an affidavit to the commissioner for each charter school it proposes to authorize. The commissioner must approve or disapprove the sponsor's proposed authorization within 90 days of receipt of the affidavit. Failure to obtain commissioner approval precludes a sponsor from authorizing the charter school that was the subject of the affidavit.

(c) The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must incorporate as a cooperative under chapter 308A or as a nonprofit corporation under chapter 317A and must establish a board of directors composed of at least five nonrelated members until a timely election for members of the charter school board of directors is held according to the school's articles and bylaws. A charter school board of directors must be composed of at least five members. Any staff members who are employed at the school, including teachers providing instruction under a contract with a cooperative, and all parents of children enrolled in the school may are eligible to participate in the election for members of the school's board of directors. Licensed teachers employed at the school, including teachers providing instruction under a contract with a cooperative, must be a majority of the members of the board of directors before the school completes its third year of operation, unless the commissioner waives the requirement for a majority of licensed teachers on the board. Board of director meetings must comply with chapter 13D.

(d) The granting or renewal of a charter by a sponsoring entity must not be conditioned upon the bargaining unit status of the employees of the school.

(e) The granting or renewal of a charter school by a sponsor must not be contingent on the charter school being required to contract, lease, or purchase services from the sponsor.

(f) A sponsor may authorize the operators of a charter school to expand the operation of the charter school to additional sites or to add additional grades at the school beyond those described in the sponsor's application as approved by the commissioner only after submitting a supplemental application to the commissioner in a form and manner prescribed by the commissioner. The supplemental application must provide evidence that:

- (1) the expansion of the charter school is supported by need and projected enrollment;
- (2) the charter school is fiscally sound;
- (3) the sponsor supports the expansion; and
- (4) the building of the additional site meets all health and safety requirements to be eligible for lease aid.

~~(f)~~ (g) The commissioner annually must provide timely financial management training to newly elected members of a charter school board of directors and ongoing training to other members of a charter school board of directors. Training must address ways to:

- (1) proactively assess opportunities for a charter school to maximize all available revenue sources;
- (2) establish and maintain complete, auditable records for the charter school;
- (3) establish proper filing techniques;
- (4) document formal actions of the charter school, including meetings of the charter school board of directors;
- (5) properly manage and retain charter school and student records;
- (6) comply with state and federal payroll record-keeping requirements; and
- (7) address other similar factors that facilitate establishing and maintaining complete records on the charter school's operations.

Sec. 34. Minnesota Statutes 2006, section 124D.10, subdivision 4a, is amended to read:

Subd. 4a. **Conflict of interest.** (a) A member of a charter school board of directors is prohibited from serving as a member of the board of directors or as an employee or agent of or a contractor with a for-profit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. A violation of this prohibition renders a contract voidable at the option of the commissioner. The commissioner may reduce a charter school's state aid under section 127A.42 if the charter school board fails to correct a violation under this subdivision in a timely manner. A member of a charter school board of directors who violates this prohibition shall be individually liable to the charter school for any damage caused by the violation.

(b) An individual may serve as a member of the board of directors if no conflict of interest under paragraph (a) exists.

(c) A member of a charter school board of directors that serves as a member of the board of directors or as an employee or agent of or a contractor with a nonprofit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities, must disclose

all potential conflicts to the commissioner. A violation of this requirement makes a contract voidable at the option of the commissioner. The commissioner may reduce a charter school's aid under section 127A.42 if the charter school fails to correct a violation under this subdivision in a timely manner.

(d) The conflict of interest provisions under this subdivision do not apply to compensation paid to a teacher employed by the charter school who also serves as a member of the board of directors.

(e) The conflict of interest provisions under this subdivision do not apply to a teacher who provides services to a charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.

Sec. 35. Minnesota Statutes 2006, section 124D.10, subdivision 6, is amended to read:

Subd. 6. **Contract.** The sponsor's authorization for a charter school must be in the form of a written contract signed by the sponsor and the board of directors of the charter school. The contract must be completed within 90 days of the commissioner's approval of the sponsor's proposed authorization. The contract for a charter school must be in writing and contain at least the following:

- (1) a description of a program that carries out one or more of the purposes in subdivision 1;
- (2) specific outcomes pupils are to achieve under subdivision 10;
- (3) admission policies and procedures;
- (4) management and administration of the school;
- (5) requirements and procedures for program and financial audits;
- (6) how the school will comply with subdivisions 8, 13, 16, and 23;
- (7) assumption of liability by the charter school;
- (8) types and amounts of insurance coverage to be obtained by the charter school;
- (9) the term of the contract, which may be up to three years for the initial contract, and up to five years for renewed contracts based on the academic, financial, and operational performance of the school;
- (10) if how the board of directors or the operators of the charter school will provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, a description of the financial parameters within which the charter school will operate to provide the special instruction and services to children with a disability; and
- (11) the process and criteria the sponsor intends to use to monitor and evaluate the fiscal and student performance of the charter school, consistent with subdivision 15.

Sec. 36. Minnesota Statutes 2006, section 124D.10, subdivision 6a, is amended to read:

Subd. 6a. **Audit report.** (a) The charter school must submit an audit report to the commissioner by December 31 each year.

(b) The charter school, with the assistance of the auditor conducting the audit, must include with the report a copy of all charter school agreements for corporate management services. If the entity that provides the professional services to the charter school is exempt from taxation under section

501 of the Internal Revenue Code of 1986, that entity must file with the commissioner by February 15 a copy of the annual return required under section 6033 of the Internal Revenue Code of 1986.

(c) If the commissioner receives ~~as part of the~~ an audit report ~~a management letter~~ indicating that a material weakness exists in the financial reporting systems of a charter school, the charter school must submit a written report to the commissioner explaining how the material weakness will be resolved.

(d) Upon the request of an individual, the charter school must make available in a timely fashion the minutes of meetings of members, the board of directors, and committees having any of the authority of the board of directors, and statements showing the financial result of all operations and transactions affecting income and surplus during the school's last annual accounting period and a balance sheet containing a summary of its assets and liabilities as of the closing date of the accounting period.

Sec. 37. Minnesota Statutes 2006, section 124D.10, subdivision 7, is amended to read:

Subd. 7. **Public status; exemption from statutes and rules.** A charter school is a public school and is part of the state's system of public education. ~~Except as provided in this section, a charter school is exempt from all statutes and rules applicable to a school, a board, or a district, although it may elect to comply with one or more provisions of statutes or rules.~~ A charter school is exempt from all statutes and rules applicable to a school, school board, or school district unless a statute or rule is made specifically applicable to a charter school.

Sec. 38. Minnesota Statutes 2006, section 124D.10, subdivision 8, is amended to read:

Subd. 8. **State and local requirements.** (a) A charter school shall meet all applicable federal, state, and local health and safety requirements applicable to school districts.

(b) A school sponsored by a school board may be located in any district, unless the school board of the district of the proposed location disapproves by written resolution.

(c) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution.

(d) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled.

(e) The primary focus of a charter school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(f) A charter school may not charge tuition.

(g) A charter school is subject to and must comply with chapter 363A and section 121A.04.

(h) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(i) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district. Audits must be conducted in compliance with generally accepted

governmental auditing standards, the Federal Single Audit Act, if applicable, and section 6.65. A charter school is subject to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; 123B.52, subdivision 5; 471.38; 471.391; 471.392; 471.425; 471.87; 471.88, subdivisions 1, 2, 3, 4, 5, 6, 12, 13, and 15; 471.881; and 471.89. The audit must comply with the requirements of sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the commissioner. The Department of Education, state auditor, or legislative auditor may conduct financial, program, or compliance audits. A charter school determined to be in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

(j) A charter school is a district for the purposes of tort liability under chapter 466.

(k) A charter school must comply with sections 13.32; 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

(l) A charter school is subject to the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

Sec. 39. Minnesota Statutes 2006, section 124D.10, subdivision 9, is amended to read:

Subd. 9. **Admission requirements.** A charter school may limit admission to:

- (1) pupils within an age group or grade level;
- (2) people who are eligible to participate in the graduation incentives program under section 124D.68; or
- (3) residents of a specific geographic area where the percentage of the population of non-Caucasian people of that area is greater than the percentage of the non-Caucasian population in the congressional district in which the geographic area is located, and as long as the school reflects the racial and ethnic diversity of the specific area.

A charter school shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils must be accepted by lot. If a charter school is the only school located in a ~~town~~ municipality serving pupils within a particular grade level, then pupils that are residents of the town must be given preference for enrollment before accepting pupils by lot. If a pupil lives within two miles of a charter school and the next closest public school is more than five miles away, the charter school must give those pupils preference for enrollment before accepting other pupils by lot.

A charter school shall give preference for enrollment to a sibling of an enrolled pupil and to a foster child of that pupil's parents before accepting other pupils by lot.

A charter school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all applications for enrollment in the 2008-2009 school year and later.

Sec. 40. Minnesota Statutes 2006, section 124D.10, subdivision 20, is amended to read:

Subd. 20. **Leave to teach in a charter school.** If a teacher employed by a district makes a written

request for an extended leave of absence to teach at a charter school, the district must grant the leave. The district must grant a leave not to exceed a total of five years. Any request to extend the leave shall be granted only at the discretion of the school board. The district may require that the request for a leave or extension of leave be made up to 90 days before the teacher would otherwise have to report for duty before February 1 in the school year preceding the school year in which the teacher wishes to return, or February 1 of the calendar year in which the leave is scheduled to terminate. Except as otherwise provided in this subdivision and except for section 122A.46, subdivision 7, the leave is governed by section 122A.46, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to aggregate benefits and credits in the Teachers' Retirement Association account by paying both the employer and employee contributions based upon the annual salary of the teacher for the last full pay period before the leave began. The retirement association may impose reasonable requirements to efficiently administer this subdivision.

Sec. 41. Minnesota Statutes 2006, section 124D.10, subdivision 23, is amended to read:

Subd. 23. Causes for nonrenewal or termination of charter school contract. (a) The duration of the contract with a sponsor must be for the term contained in the contract according to subdivision 6. The sponsor may or may not renew a contract at the end of the term for any ground listed in paragraph (b). A sponsor may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 days before not renewing or terminating a contract, the sponsor shall notify the board of directors of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that the charter school's board of directors may request in writing an informal hearing before the sponsor within 14 days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for a hearing within the 14-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the sponsor shall give reasonable notice to the charter school's board of directors of the hearing date. The sponsor shall conduct an informal hearing before taking final action. The sponsor shall take final action to renew or not renew a contract by the last day of classes in the school year. If the sponsor is a local board, the school's board of directors may appeal the sponsor's decision to the commissioner.

(b) A contract may be terminated or not renewed upon any of the following grounds:

- (1) failure to meet the requirements for pupil performance contained in the contract;
- (2) failure to meet generally accepted standards of fiscal management;
- (3) violations of law; or
- (4) other good cause shown.

If a contract is terminated or not renewed under this paragraph, the school must be dissolved according to the applicable provisions of chapter 308A or 317A, except when the commissioner approves the decision of a different eligible sponsor to authorize the charter school.

(c) If at the end of a contract term, ~~either~~ the sponsor or the charter school board of directors ~~wants~~ mutually agree to voluntarily terminate the contract, a change in sponsors is allowed if the commissioner approves the decision of a different eligible sponsor to authorize the charter school.

~~The party intending to terminate the contract must notify the other party and the commissioner of its intent at least 90 days before the date on which the contract ends.~~ The sponsor that is a party to the existing contract at least must inform the approved different eligible sponsor about the fiscal and student performance of the school. Both parties jointly must submit in writing to the commissioner their written intent to terminate the contract. The commissioner must determine whether the charter school and the prospective new sponsor can clearly identify and effectively resolve those circumstances causing the previous sponsor and the charter school to terminate the contract before the commissioner determines whether to grant the change of sponsor. If no different eligible sponsor is approved, the school must be dissolved according to applicable law and the terms of the contract.

(d) The commissioner, after providing reasonable notice to the board of directors of a charter school and the existing sponsor, and after providing an opportunity for a public hearing, may terminate the existing ~~sponsorial relationship~~ contract between the sponsor and the charter school if the charter school has a history of:

- (1) sustained failure to meet the requirements for pupil performance contained in the contract;
- (2) financial mismanagement; or
- ~~(2)~~ (3) repeated violations of the law.

Sec. 42. Minnesota Statutes 2007 Supplement, section 124D.10, subdivision 23a, is amended to read:

Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from entering a lease of real property with a related party as defined in ~~subdivision 26~~ this subdivision, unless the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

(b) For purposes of this subdivision:

(1) "related party" means an affiliate or close relative of the other party in question, an affiliate of a close relative, or a close relative of an affiliate;

(2) "affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;

(3) "close relative" means an individual whose relationship by blood, marriage, or adoption to another individual is no more remote than first cousin;

(4) "person" means an individual or entity of any kind; and

(5) "control" means the ability to affect the management, operations, or policies of a person, whether through ownership of voting securities, by contract, or otherwise.

~~(b)~~ (c) A lease of real property to be used for a charter school, not excluded in paragraph (a), must contain the following statement: "This lease is subject to Minnesota Statutes, section 124D.10, subdivision 23a."

~~(e)~~ (d) If a charter school enters into as lessee a lease with a related party and the charter school subsequently closes, the commissioner has the right to recover from the lessor any lease payments

in excess of those that are reasonable under section 124D.11, subdivision 4, clause (1).

Sec. 43. **[125B.015] STATE AND SCHOOL DISTRICT TECHNOLOGY GUIDELINES.**

Subdivision 1. **State technology guidelines; guideline setting.** (a) Notwithstanding other law to the contrary, the commissioner, the Minnesota Education Technology Task Force, and representatives of school districts must work together to identify for school districts the robust technology tools and systems that improve the educational achievement of all Minnesota students. These entities must establish a foundation of flexible shared services that supports state development and implementation of new and more efficient educational business practices, including the use of modern analytical tools that help schools and school districts make data-driven decisions and increase instructional time. These entities also must anticipate the needs of school districts for effectively using emerging technologies to make the best and most cost-effective use of finite educational resources.

(b) The commissioner, the Minnesota Education Technology Task Force, representatives of school districts, and other interested and affected stakeholders, must establish and then maintain, revise, and publish every four years beginning December 1, 2008, state and district technology guidelines consistent with the requirements of this section and section 120B.023, subdivision 2, paragraph (a). The state and school districts must use the technology guidelines to participate in a uniform data collection system premised on:

- (1) common data definitions for all required data elements;
- (2) a common course catalogue;
- (3) common transcript definitions; and
- (4) school district infrastructure technology guidelines.

(c) School districts, consistent with this section and other applicable law, may use financial resources in addition to state funding to provide students with the technology tools they need to succeed in an increasingly complex and information-rich environment.

Subd. 2. **District technology guidelines.** (a) The commissioner, in collaboration with the Minnesota Education Technology Task Force, must establish and then maintain, revise, and publish six categories of district technology guidelines consistent with this section. The district technology guidelines must encompass:

- (1) instructional technology that includes best practices in 21st century classroom instruction and student learning;
- (2) technological tools that support formative and summative online assessments, equipment, and software;
- (3) shared services that facilitate network and data systems administration;
- (4) data practices that include technical security, Internet safety, and data privacy;
- (5) data management that facilitates efficient data transfers involving school districts and the department; and

(6) facilities infrastructure that supports multipurpose technology facilities for instruction and assessment.

(b) School districts are encouraged to align district technology expenditures with state and district technology guidelines established under this section.

(c) Beginning December 1, 2010, and each two-year period thereafter, school districts must use the district technology guidelines in this section to complete a review of the district technology environment that:

(1) examines the alignment of district technology expenditures to the technology guidelines under this section;

(2) identifies service gaps in the district technology plan; and

(3) estimates the funding needed to fill service gaps.

(d) School districts must transmit the substance of the review to the commissioner in the form and manner the commissioner determines in collaboration with the Minnesota Education Technology Task Force. The commissioner must evaluate and report the substance of the reviews to the legislature by February 15, 2011, and each two-year period thereafter.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the 2008-2009 school year and later.

Sec. 44. Minnesota Statutes 2006, section 126C.40, subdivision 6, is amended to read:

Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs (a) and (b), a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law. An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) For the purposes of this subdivision, "district" means:

(1) a racially isolated school district or a school district with a racially identifiable school required to have a ~~comprehensive~~ desegregation or integration plan ~~for the elimination of segregation~~ under Minnesota Rules, parts 3535.0100 to 3535.0180, which is eligible for revenue

under section 124D.86, subdivision 3, clause (1), (2), or (3), and whose plan has been determined by the commissioner to be in compliance with Department of Education rules relating to equality of educational opportunity and school desegregation and, for a district eligible for revenue under section 124D.86, subdivision 3, clause (4) or (5), where the acquisition of property under this subdivision is determined by the commissioner to contribute to the implementation of the desegregation plan; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program and the commissioner determines that the joint programs are being undertaken to implement the districts' desegregation plan.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) For the purposes of this subdivision, any references in subdivision 1 to building or land shall include personal property.

Sec. 45. [127A.70] MINNESOTA P-20 EDUCATION PARTNERSHIP.

Subdivision 1. **Establishment; membership.** A P-20 education partnership is established to create a seamless system of education that maximizes achievements of all students, from early childhood through elementary, secondary, and postsecondary education, while promoting the efficient use of financial and human resources. The partnership shall consist of major statewide educational groups or constituencies or noneducational statewide organizations with a stated interest in P-20 education. The initial membership of the partnership includes the members serving on the Minnesota P-16 Education Partnership and four legislators appointed as follows:

(1) one senator from the majority party and one senator from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration; and

(2) one member of the house of representatives appointed by the speaker of the house and one member appointed by the minority leader of the house.

The chair of the P-16 education partnership must convene the first meeting of the P-20 partnership. Prospective members may be nominated by any partnership member and new members will be added with the approval of a two-thirds majority of the partnership. The partnership will also seek input from nonmember organizations whose expertise can help inform the partnership's work.

Partnership members shall be represented by the chief executives, presidents, or other formally designated leaders of their respective organizations, or their designees. The partnership shall meet at least three times during each calendar year.

Subd. 2. **Powers and duties; report.** The partnership shall develop recommendations to the governor and the legislature designed to maximize the achievement of all P-20 students while promoting the efficient use of state resources, thereby helping the state realize the maximum value for its investment. These recommendations may include, but are not limited to, strategies, policies, or other actions focused on:

(1) improving the quality of and access to education at all points from preschool through the

graduate education;

(2) improving preparation for, and transitions to, postsecondary education and work; and

(3) ensuring educator quality by creating rigorous standards for teacher recruitment, teacher preparation, induction and mentoring of beginning teachers, and continuous professional development for career teachers.

By January 15 of each year, the partnership shall submit a report to the governor and to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over P-20 education policy and finance that summarizes the partnership's progress in meeting its goals and identifies the need for any draft legislation when necessary to further the goals of the partnership to maximize student achievement while promoting efficient use of resources.

Subd. 3. **Expiration.** Notwithstanding section 15.059, subdivision 5, the partnership is permanent and does not expire.

Sec. 46. Minnesota Statutes 2006, section 260C.007, subdivision 19, is amended to read:

Subd. 19. **Habitual truant.** "Habitual truant" means a child under the age of 16 18 years who is absent from attendance at school without lawful excuse for seven school days per school year if the child is in elementary school or for one or more class periods on seven school days per school year if the child is in middle school, junior high school, or high school, ~~or a child who is 16 or 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days and who has not lawfully withdrawn from school under section 120A.22, subdivision 8.~~

EFFECTIVE DATE. This section is effective for the 2011-2012 school year and later.

Sec. 47. Minnesota Statutes 2006, section 299F.30, subdivision 1, is amended to read:

Subdivision 1. **Duties of fire marshal.** Consistent with sections 121A.035, 121A.037, and this section, it shall be the duty of the state fire marshal, deputies and assistants, to require public and private schools and educational institutions to have at least five fire drills each school year, to expect students to be present and participate in these drills, and to keep all doors and exits unlocked from the inside of the building during school hours.

EFFECTIVE DATE. This section is effective for the 2008-2009 school year and later.

Sec. 48. **SCHOOL DISTRICT PLANS TO IMPROVE STUDENTS' ACADEMIC ACHIEVEMENT.**

Subdivision 1. **District academic achievement plan; priorities.** (a) A school district experiencing disparities in academic achievement among groups of students defined by race, ethnicity, and income is encouraged to develop a short and long-term plan encompassing one through four years to significantly improve students' academic achievement and use research-based practices to eliminate differences in academic performance. The plan must:

(1) reflect a research-based understanding of high-performing educational systems and best educational practices;

(2) include innovative and practical strategies and programs, whether existing or new, that

supplement district initiatives to increase students' academic achievement under state and federal educational accountability requirements; and

(3) contain valid and reliable measures of student achievement that the district uses to demonstrate the efficacy of the district plan to the commissioner of education.

(b) A district must address the elements under section 49, paragraph (a), to the extent those elements are implicated in the district's plan.

(c) A district must identify in its plan the strategies and programs the district has implemented and found effective in improving students' academic achievement.

(d) The district must include with the plan the amount of expenditures necessary to implement the plan. The district must indicate how current resources are used to implement the plan, including, but not limited to, state-limited English proficiency aid under Minnesota Statutes, section 124D.65; integration revenue under Minnesota Statutes, section 124D.86; early childhood family education revenue under Minnesota Statutes, section 124D.135; school readiness aid under Minnesota Statutes, section 124D.16; basic skills revenue under Minnesota Statutes, section 126C.10, subdivision 4; extended time revenue under Minnesota Statutes, section 126C.10, subdivision 2a; and alternative compensation revenue under Minnesota Statutes, section 122A.415.

Subd. 2. **Plan.** (a) A school district by October 1, 2008, must submit its plan in electronic format to the commissioner of education, consistent with subdivision 1.

(b) The commissioner of education must analyze the commonalities and differences of the district plans and the effective strategies and programs districts have implemented to improve students' academic achievement, and submit the analysis and supporting data to the advisory task force on improving students' academic achievement under section 49 by November 1, 2008, and also report the substance of the analyses to the education policy and finance committees of the legislature by February 15, 2009.

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

Sec. 49. **ADVISORY TASK FORCE ON IMPROVING STUDENTS' ACADEMIC ACHIEVEMENT.**

(a) An advisory task force on improving students' academic achievement is established to review the plans submitted to the commissioner of education under section 48 and recommend to the education committees of the legislature a proposal for improving students' academic achievement and eliminating differences in academic performance among groups of students defined by race, ethnicity, and income. The task force members must at least consider how the following education-related issues impact the educational achievement of low-income students and students of color:

(1) rigorous preparation and coursework and how to (i) effectively invest in early childhood and parent education, (ii) increase academic rigor and high expectations on elementary and secondary students in schools serving a majority of low-income students and students of color, and (iii) provide parents, educators, and community members with meaningful opportunities to collaborate in educating students in schools serving a majority of low-income students and students of color;

(2) professional development for educators and how to (i) provide stronger financial and

professional incentives to attract and retain experienced, bilingual, and culturally competent teachers and administrators in schools serving a majority of low-income students and students of color, (ii) recruit and retain teachers of color, and (iii) develop and include cultural sensitivity and interpersonal and pedagogical skills training that teachers need for effective intercultural teaching;

(3) English language learners and how to (i) use well-designed tests, curricula, and English as a second language programs and services as diagnostic tools to develop effective student interventions, (ii) monitor students' language capabilities, (iii) provide academic instruction in English that supports students' learning and is appropriate for students' level of language proficiency, and (iv) incorporate the perspectives and contributions of ethnic and racial groups, consistent with Minnesota Statutes, section 120B.022, subdivision 1, paragraph (b);

(4) special education and how to (i) incorporate linguistic and cultural sensitivity into special education diagnosis and referral, (ii) increase the frequency and quality of prereferral interventions, and (iii) decrease the number of minority and nonnative English-speaking students inappropriately placed in special education;

(5) GRAD tests and how to (i) incorporate linguistic and cultural sensitivity into the reading and math GRAD tests, and (ii) develop interventions to meet students' learning needs; and

(6) valid and reliable data and how to use data on student on-time graduation rates, student dropout rates, documented disciplinary actions, and completed and rigorous course work indicators to determine how well-prepared, low-income students and students of color are for postsecondary academic and career opportunities.

The task force also must examine the findings of a 2008 report by Minnesota superintendents on strategies for creating a world-class educational system to establish priorities for improving students' academic achievement. The task force may consider other related matters at its discretion.

(b) The commissioner of education must convene the first meeting of the advisory task force on improving students' academic achievement by September 1, 2008. The task force members must adopt internal procedures and standards for subsequent meetings. The task force is composed of the following members:

(1) a representative from a Twin Cities metropolitan area school district, a suburban school district, a school district located in a regional center, and a rural school district, all four representatives appointed by the state demographer based on identified concentrations of low-performing, low-income students and students of color;

(2) a faculty member of a teacher preparation program at the University of Minnesota's College of Education and Human Development, appointed by the college dean or the dean's designee;

(3) a faculty member from the urban teachers program at Metropolitan State University appointed by the university president or the president's designee;

(4) a faculty member from a Minnesota State Colleges and Universities teacher preparation program located outside the Twin Cities metropolitan area, appointed by the chancellor or the chancellor's designee;

(5) a classroom teacher appointed by Education Minnesota;

(6) an expert in early childhood care and education appointed by a state early childhood organization;

(7) a member from each state council representing a community of color, appointed by the respective council;

(8) a curriculum specialist with expertise in providing language instruction for nonnative English speakers, appointed by a state curriculum organization;

(9) a special education teacher, appointed by a state organization of special education educators;

(10) a parent of color, appointed by a state parent-teacher organization;

(11) a district testing director appointed by a recognized Minnesota assessment group composed of assessment and evaluation directors and staff and researchers; and

(12) a Department of Education staff person with expertise in school desegregation matters appointed by the commissioner of education or the commissioner's designee.

A majority of task force members, at their discretion, may invite other representatives of interested public or nonpublic organizations, Minnesota's communities of color, and stakeholders in local and state educational equity to become task force members. The department must make every effort to ensure that a majority of task force members are persons of color.

(c) Members of the task force serve without compensation. By February 15, 2009, the task force must submit a written proposal to the education policy and finance committees of the legislature on how to significantly improve students' academic achievement.

(d) The advisory task force expires on February 16, 2009.

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

Sec. 50. ADVISORY TASK FORCE; INTEGRATING SECONDARY AND POSTSECONDARY ACADEMIC AND CAREER EDUCATION.

(a) An advisory task force on improving teacher quality and identifying institutional structures and strategies for effectively integrating secondary and postsecondary academic and career education is established to consider and recommend to the education policy and finance committees of the legislature proposals on how to:

(1) foster classroom teachers' interest and ability to acquire a master's degree in the teachers' substantive fields of licensure; and

(2) meet all elementary and secondary students' needs for adequate education planning and preparation and improve all students' ability to acquire the knowledge and skills needed for postsecondary academic and career education.

(b) The commissioner of education, or the commissioner's designee, shall appoint an advisory task force that is composed of a representative from each of the following entities: Education Minnesota, the University of Minnesota, the Department of Education, the Board of Teaching, the Minnesota Private College Council, the Office of Higher Education, the Minnesota Career College Association, the Minnesota PTA, the Minnesota Chamber of Commerce, the Minnesota

Business Partnership, the Department of Employment and Economic Development, the Minnesota Association of Career and Technical Administrators, the Minnesota Association of Career and Technical Educators, the Minnesota State Colleges and Universities, and other representatives of other entities recommended by task force members. Members of the task force serve without compensation of any kind for any purpose. By February 15, 2009, the task force must submit written recommendations to the education policy and finance committees of the legislature on improving teacher quality and identifying the institutional structures and strategies for effectively integrating secondary and postsecondary academic and career education, consistent with this section.

(c) Upon request, the commissioner of education must provide the task force with technical, fiscal, and other support services.

(d) The advisory task force expires February 16, 2009.

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

Sec. 51. ASSESSMENT OF READING INSTRUCTION.

(a) No later than March 1, 2010, the Board of Teaching, in cooperation with the commissioner of education, shall adopt an assessment of reading instruction for all prekindergarten and elementary licensure candidates consistent with Minnesota Statutes, section 122A.18, subdivision 2c.

(b) The Board of Teaching and the commissioner shall report to the senate and house of representatives committees having jurisdiction over prekindergarten through grade 12 education policy by March 15, 2010, on the assessment of reading instruction that was adopted.

Sec. 52. READING INSTRUCTION RULES; LEGISLATIVE REVIEW.

Beginning July 1, 2008, and until July 1, 2009, the Board of Teaching must submit any proposed rules regarding licensure in reading instruction to the chairs of the legislative committees with jurisdiction over kindergarten through grade 12 education policy by February 1, 2009. The board may not adopt the rules until the legislature has adjourned the 2009 regular session.

Sec. 53. REVIVAL AND REENACTMENT.

Minnesota Statutes, section 124D.10, subdivision 2a, is revived and reenacted effective retroactively and without interruption from June 30, 2007.

Sec. 54. REPEALER.

Minnesota Statutes 2006, section 120A.22, subdivision 8, is repealed effective for the 2011-2012 school year and later.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2006, section 124D.60, subdivision 1, is amended to read:

Subdivision 1. **Notice.** Within ~~ten~~ 30 days after the enrollment of any pupil in an instructional program for limited English proficient students, the district in which the pupil resides must notify the parent by mail. This notice must:

- (1) be in writing in English and in the primary language of the pupil's parents;
- (2) inform the parents that their child has been enrolled in an instructional program for limited English proficient students;
- (3) contain a simple, nontechnical description of the purposes, method and content of the program;
- (4) inform the parents that they have the right to visit the educational program for limited English proficient students in which their child is enrolled;
- (5) inform the parents of the time and manner in which to request and receive a conference for the purpose of explaining the nature and purpose of the program; and
- (6) inform the parents of their rights to withdraw their child from an educational program for limited English proficient students and the time and manner in which to do so.

The department shall, at the request of the district, prepare the notice in the primary language of the parent.

Sec. 2. Minnesota Statutes 2007 Supplement, section 125A.14, is amended to read:

125A.14 EXTENDED SCHOOL YEAR.

A district may provide extended school year services for children with a disability living within the district and nonresident children temporarily placed in the district pursuant to section 125A.15 ~~or 125A.16~~. Prior to March 31 or 30 days after the child with a disability is placed in the district, whichever is later, the providing district shall give notice to the district of residence of any nonresident children temporarily placed in the district pursuant to section 125A.15 ~~or 125A.16~~, of its intention to provide these programs. Notwithstanding any contrary provisions in sections 125A.15 ~~and 125A.16~~, the district providing the special instruction and services must apply for special education aid for the extended school year services. The unreimbursed actual cost of providing the program for nonresident children with a disability, including the cost of board and lodging, may be billed to the district of the child's residence and must be paid by the resident district. Transportation costs must be paid by the district responsible for providing transportation pursuant to section 125A.15 ~~or 125A.16~~ and transportation aid must be paid to that district.

Sec. 3. Minnesota Statutes 2006, section 125A.15, is amended to read:

125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.

The responsibility for special instruction and services for a child with a disability temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian, or the district designated by the commissioner if neither parent nor guardian is living within the state.

(b) If a district other than the resident district places a pupil for care and treatment, the district placing the pupil must notify and give the resident district an opportunity to participate in the placement decision. When an immediate emergency placement of a pupil is necessary and time constraints foreclose a resident district from participating in the emergency placement decision, the

district in which the pupil is temporarily placed must notify the resident district of the emergency placement within 15 days. The resident district has up to five business days after receiving notice of the emergency placement to request an opportunity to participate in the placement decision, which the placing district must then provide.

(c) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation to and from the care and treatment facility program and an appropriate educational program for the child. The resident district may establish reasonable restrictions on transportation, except if a Minnesota court or agency orders the child placed at a day care and treatment program and the resident district receives a copy of the order, then the resident district must provide transportation to and from the program unless the court or agency orders otherwise. Transportation shall only be provided by the resident district during regular operating hours of the resident district. The resident district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.

~~(e)~~ (d) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child and necessary transportation while the child is attending the educational program; and must bill the district of the child's residence for the actual cost of providing the program, as outlined in section 125A.11, except as provided in paragraph ~~(d)~~ (e). However, the board, lodging, and treatment costs incurred in behalf of a child with a disability placed outside of the school district of residence by the commissioner of human services or the commissioner of corrections or their agents, for reasons other than providing for the child's special educational needs must not become the responsibility of either the district providing the instruction or the district of the child's residence. For the purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

~~(d)~~ (e) A privately owned and operated residential facility may enter into a contract to obtain appropriate educational programs for special education children and services with a joint powers entity. The entity with which the private facility contracts for special education services shall be the district responsible for providing students placed in that facility an appropriate educational program in place of the district in which the facility is located. If a privately owned and operated residential facility does not enter into a contract under this paragraph, then paragraph ~~(e)~~ (d) applies.

~~(e)~~ (f) The district of residence shall pay tuition and other program costs, not including transportation costs, to the district providing the instruction and services. The district of residence may claim general education aid for the child as provided by law. Transportation costs must be paid by the district responsible for providing the transportation and the state must pay transportation aid to that district.

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

Sec. 4. Minnesota Statutes 2006, section 125A.51, is amended to read:

125A.51 PLACEMENT OF CHILDREN WITHOUT DISABILITIES; EDUCATION AND TRANSPORTATION.

The responsibility for providing instruction and transportation for a pupil without a disability who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the commissioner, and who is temporarily placed for care and treatment for that illness or disability, must be determined as provided in this section.

(a) The school district of residence of the pupil is the district in which the pupil's parent or guardian resides.

(b) When parental rights have been terminated by court order, the legal residence of a child placed in a residential or foster facility for care and treatment is the district in which the child resides.

(c) Before the placement of a pupil for care and treatment, the district of residence must be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, must notify the district of residence of the emergency placement within 15 days of the placement. When a nonresident district makes an emergency placement without first consulting with the resident district, the resident district has up to five business days after receiving notice of the emergency placement to request an opportunity to participate in the placement decision, which the placing district must then provide.

(d) When a pupil without a disability is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence must provide instruction and necessary transportation to and from the care and treatment facility program for the pupil. The resident district may establish reasonable restrictions on transportation, except if a Minnesota court or agency orders the child placed at a day care and treatment program and the resident district receives a copy of the order, then the resident district must provide transportation to and from the program unless the court or agency orders otherwise. Transportation shall only be provided by the resident district during regular operating hours of the resident district. The resident district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. The district of placement may contract with a facility to provide instruction by teachers licensed by the state Board of Teaching.

(e) When a pupil without a disability is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed must provide instruction for the pupil and necessary transportation while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district must bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs.

(f) Notwithstanding paragraph (e), if the pupil is homeless and placed in a public or private homeless shelter, then the district that enrolls the pupil under section 127A.47, subdivision 2, shall provide the transportation, unless the district that enrolls the pupil and the district in which the pupil is temporarily placed agree that the district in which the pupil is temporarily placed shall provide transportation. When a pupil without a disability is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil must send timely written notice of the placement to the district of residence. The district of placement may contract

with a residential facility to provide instruction by teachers licensed by the state Board of Teaching. For purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

(g) The district of residence must include the pupil in its residence count of pupil units and pay tuition as provided in section 123A.488 to the district providing the instruction. Transportation costs must be paid by the district providing the transportation and the state must pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision must be included in the disabled transportation category if the pupils cannot be transported on a regular school bus route without special accommodations.

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

Sec. 5. Minnesota Statutes 2006, section 125A.744, subdivision 3, is amended to read:

Subd. 3. **Implementation.** Consistent with section 256B.0625, subdivision 26, school districts may enroll as medical assistance providers or subcontractors and bill the Department of Human Services under the medical assistance fee for service claims processing system for special education services which are covered services under chapter 256B, which are provided in the school setting for a medical assistance recipient, and for whom the district has secured informed consent consistent with section 13.05, subdivision 4, paragraph (d), and section 256B.77, subdivision 2, paragraph (p), to bill for each type of covered service. School districts shall be reimbursed by the commissioner of human services for the federal share of individual education plan health-related services that qualify for reimbursement by medical assistance, minus up to five percent retained by the commissioner of human services for administrative costs, ~~not to exceed \$350,000 per fiscal year~~. The commissioner may withhold up to five percent of each payment to a school district. Following the end of each fiscal year, the commissioner shall settle up with each school district in order to ensure that collections from each district for departmental administrative costs are made on a pro rata basis according to federal earnings for these services in each district. A school district is not eligible to enroll as a home care provider or a personal care provider organization for purposes of billing home care services under sections 256B.0651 and 256B.0653 to 256B.0656 until the commissioner of human services issues a bulletin instructing county public health nurses on how to assess for the needs of eligible recipients during school hours. To use private duty nursing services or personal care services at school, the recipient or responsible party must provide written authorization in the care plan identifying the chosen provider and the daily amount of services to be used at school.

Sec. 6. **REPEALER.**

Minnesota Statutes 2006, sections 121A.67; 125A.16; 125A.19; 125A.20; and 125A.57, and Laws 2006, chapter 263, article 3, section 16, are repealed.

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

ARTICLE 4

LIBRARIES

Section 1. Minnesota Statutes 2007 Supplement, section 134.31, subdivision 4a, is amended to read:

Subd. 4a. **Services to the blind and physically handicapped.** The Minnesota Department of

Education shall provide specialized services to the blind and physically handicapped through the Minnesota Braille and Talking Book Library for the Blind and Physically Handicapped under a cooperative plan with the National Library Services for the Blind and Physically Handicapped of the Library of Congress.

Sec. 2. Minnesota Statutes 2006, section 134.31, subdivision 6, is amended to read:

Subd. 6. **Advisory committee.** The commissioner shall appoint an advisory committee of five members to advise the staff of the Minnesota Braille and Talking Book Library for the Blind and Physically Handicapped on long-range plans and library services. Members shall be people who use the library. Section 15.059 governs this committee except that the committee shall not expire.

Sec. 3. Minnesota Statutes 2006, section 134.31, is amended by adding a subdivision to read:

Subd. 7. **Telephone or electronic meetings.** (a) Notwithstanding section 13D.01, the Advisory Committee for the Minnesota Braille and Talking Book Library may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the committee participating in the meeting, wherever their physical locations, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the committee can hear all discussion, testimony, and votes of the members of the committee;

(3) at least one member of the committee is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's votes on each issue can be identified and recorded.

(b) Each member of the committee participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, to the extent practical, the committee shall allow a person to monitor the meeting electronically from a remote location. The committee may require the person making the connection to pay for the documented marginal costs that the committee incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the committee shall provide notice of the regular meeting location, the fact that some members may participate by telephone or other electronic means, and the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04.

ARTICLE 5

STATE AGENCIES

Section 1. [124D.805] COMMITTEE ON AMERICAN INDIAN EDUCATION PROGRAMS.

Subdivision 1. **Establishment.** The commissioner of education shall create an American Indian

education committee. The commissioner must appoint the members of the committee. Members must include representatives of tribal bodies, community groups, parents of children eligible to be served by the programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian education programs, persons involved in programs for American Indian children in American Indian schools, and persons knowledgeable in the field of American Indian education. Appointed members shall be representative of significant segments of the population of American Indians.

Subd. 2. **Committee to advise commissioner.** The committee on American Indian education programs shall advise the commissioner in the administration of the commissioner's duties under sections 124D.71 to 124D.82 and other programs for the education of American Indian people as determined by the commissioner.

Subd. 3. **Expenses.** The committee members must not be reimbursed for expenses. The commissioner must determine the membership terms and the duration of the committee, which expire no later than June 30, 2020.

Sec. 2. Minnesota Statutes 2006, section 125A.65, subdivision 4, is amended to read:

Subd. 4. **Unreimbursed costs.** (a) For fiscal year 2006, in addition to the tuition charge allowed in subdivision 3, the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, after deducting the special education aid under section 125A.76, attributable to the child, if that aide is required by the child's individual education plan. Tuition received under this paragraph must be used by the academies to provide the required service.

(b) For fiscal year ~~2007~~ 2008 and later, the special education aid paid to the academies shall be increased by the academy's unreimbursed cost of providing an one to one instructional aide and behavioral management aides assigned to a child, after deducting the special education aid under section 125A.76 attributable to the child, if ~~that aide is~~ the aides are required by the child's individual education plan. Aid received under this paragraph must be used by the academies to provide the required service.

(c) For fiscal year ~~2007~~ 2008 and later, the special education aid paid to the district of the child's residence shall be reduced by the amount paid to the academies for district residents under paragraph (b).

(d) Notwithstanding section 127A.45, subdivision 3, beginning in fiscal year 2008, the commissioner shall make an estimated final adjustment payment to the Minnesota State Academies for general education aid and special education aid for the prior fiscal year by August 15.

(e) For fiscal year 2007, the academies may retain receipts received through mutual agreements with school districts for one to one behavior management aides.

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

Sec. 3. Minnesota Statutes 2007 Supplement, section 125A.76, subdivision 2, is amended to read:

Subd. 2. **Special education initial aid.** The special education initial aid equals the sum of the following amounts computed using current year data:

(1) 68 percent of the salary of each essential person employed in the district's program for children with a disability during the fiscal year, whether the person is employed by one or more districts or a Minnesota correctional facility operating on a fee-for-service basis;

(2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy for the Blind, 68 percent of the salary of each one to one instructional and behavior management aide assigned to a child attending the academy, if ~~that aide is~~ the aides are required by the child's individual education plan;

(3) for special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts, in place of special instruction and services provided by the district, 52 percent of the difference between the amount of the contract and the general education revenue, excluding basic skills revenue and alternative teacher compensation revenue, and referendum equalization aid attributable to a pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit for the fraction of the school day the pupil receives services under the contract. This includes children who are residents of the state, receive services under this subdivision and subdivision 1, and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the commissioner under section 125A.155 as provided for in section 125A.79, subdivision 8;

(4) for special instruction and services provided to any pupil by contracting for services with public, private, or voluntary agencies other than school districts, that are supplementary to a full educational program provided by the school district, 52 percent of the amount of the contract for that pupil;

(5) for supplies and equipment purchased or rented for use in the instruction of children with a disability, an amount equal to 47 percent of the sum actually expended by the district, or a Minnesota correctional facility operating on a fee-for-service basis, but not to exceed an average of \$47 in any one school year for each child with a disability receiving instruction;

(6) for fiscal years 1997 and later, special education base revenue shall include amounts under clauses (1) to (5) for special education summer programs provided during the base year for that fiscal year;

(7) the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4); and

(8) the district's transition-disabled program initial aid according to section 124D.454, subdivision 3.

The department shall establish procedures through the uniform financial accounting and reporting system to identify and track all revenues generated from third-party billings as special education revenue at the school district level; include revenue generated from third-party billings as special education revenue in the annual cross-subsidy report; and exclude third-party revenue from calculation of excess cost aid to the districts.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2008.

ARTICLE 6

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2006, section 124D.19, subdivision 14, is amended to read:

Subd. 14. **Community education; annual report.** Each district offering a community education program under this section must annually complete a program report to the department ~~information regarding the cost per participant and cost per contact hour for each community education program, including youth after school enrichment programs, that receives aid or levy. The department must include cost per participant and cost per contact hour information by program in the community education annual report.~~

Sec. 2. Minnesota Statutes 2006, section 124D.522, is amended to read:

124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE GRANTS.

(a) The commissioner, in consultation with the policy review task force under section 124D.521, may make grants to nonprofit organizations to provide services that are not offered by a district adult basic education program or that are supplemental to either the statewide adult basic education program, or a district's adult basic education program. The commissioner may make grants for: staff development for adult basic education teachers and administrators; training for volunteer tutors; training, services, and materials for serving disabled students through adult basic education programs; statewide promotion of adult basic education services and programs; development and dissemination of instructional and administrative technology for adult basic education programs; programs which primarily serve communities of color; adult basic education distance learning projects, including television instruction programs; and other supplemental services to support the mission of adult basic education and innovative delivery of adult basic education services.

(b) The commissioner must establish eligibility criteria and grant application procedures. Grants under this section must support services throughout the state, focus on educational results for adult learners, and promote outcome-based achievement through adult basic education programs. Beginning in fiscal year 2002, the commissioner may make grants under this section from the state total adult basic education aid set aside for supplemental service grants under section 124D.531. Up to one-fourth of the appropriation for supplemental service grants must be used for grants for adult basic education programs to encourage and support innovations in adult basic education instruction and service delivery. A grant to a single organization cannot exceed \$100,000 20 percent of the total supplemental services aid. Nothing in this section prevents an approved adult basic education program from using state or federal aid to purchase supplemental services."

Delete the title and insert:

"A bill for an act relating to education; providing for prekindergarten through grade 12 education; including general education, education excellence, special programs, libraries, state agencies, and self-sufficiency and lifelong learning; amending Minnesota Statutes 2006, sections 13.32, by adding subdivisions; 120A.22, subdivisions 5, 6; 120A.24, subdivision 1; 120B.02; 120B.021, subdivision 1a; 120B.023, subdivision 2; 121A.035, subdivision 2; 121A.037; 122A.06, subdivision 4; 122A.07, subdivisions 2, 3; 122A.09, subdivision 4; 122A.14, by adding subdivisions; 122A.18, subdivisions 2, 2a, by adding subdivisions; 122A.75, subdivision 1; 123B.02, subdivision 21; 123B.14, subdivision 7; 123B.51, by adding a subdivision; 123B.77, subdivision 3; 123B.81, subdivisions 3, 5; 123B.83, subdivision 3; 124D.09, subdivision 5; 124D.095, subdivision 10; 124D.10, subdivisions 2a, 4a, 6, 6a, 7, 8, 9, 20, 23; 124D.19, subdivision 14; 124D.522; 124D.60, subdivision 1; 125A.15; 125A.51; 125A.65, subdivision 4; 125A.744, subdivision 3; 126C.40, subdivision 6; 134.31, subdivision 6, by adding a subdivision; 260C.007,

subdivision 19; 299F.30, subdivision 1; Minnesota Statutes 2007 Supplement, sections 120B.021, subdivision 1; 120B.024; 120B.30; 123B.143, subdivision 1; 123B.81, subdivision 4; 124D.095, subdivisions 4, 7; 124D.10, subdivisions 4, 23a; 125A.14; 125A.76, subdivision 2; 134.31, subdivision 4a; proposing coding for new law in Minnesota Statutes, chapters 1; 121A; 124D; 125B; 127A; repealing Minnesota Statutes 2006, sections 120A.22, subdivision 8; 121A.67; 125A.16; 125A.19; 125A.20; 125A.57; Laws 2006, chapter 263, article 3, section 16."

The motion prevailed. So the amendment was adopted.

Senator Wiger moved that S.F. No. 3871 be laid on the table. The motion prevailed.

RECESS

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

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

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Wiger moved that S.F. No. 3871 be taken from the table. The motion prevailed.

S.F. No. 3871: A bill for an act relating to education finance; modifying school debt provisions; amending Minnesota Statutes 2006, sections 123B.77, subdivision 3; 123B.81, subdivisions 3, 5; Minnesota Statutes 2007 Supplement, section 123B.81, subdivision 4.

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

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

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Koch	Olseen	Saxhaug
Bakk	Doll	Kubly	Olson, G.	Scheid
Berglin	Fischbach	Langseth	Olson, M.	Sheran
Betzold	Foley	Larson	Ortman	Sieben
Bonoff	Frederickson	Latz	Pappas	Sparks
Carlson	Gerlach	Limmer	Pogemiller	Stumpf
Chaudhary	Gimse	Lourey	Prettner Solon	Tomassoni
Clark	Hann	Lynch	Rest	Torres Ray
Cohen	Higgins	Marty	Robling	Vanderveer
Dahle	Ingebrigtsen	Metzen	Rosen	Vickerman
Day	Johnson	Michel	Rummel	Wiger
Dibble	Jungbauer	Murphy	Saltzman	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

REPORTS OF COMMITTEES

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

Senator Cohen from the Committee on Finance, to which was referred

H.F. No. 2748: A bill for an act relating to health; establishing oversight for rural health cooperative; requiring the administrative services unit to apportion the amount necessary to purchase medical professional liability insurance coverage and authorizing fees to be adjusted to compensate for the apportioned amount; appropriating money; amending Minnesota Statutes 2006, section 214.40, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62R.

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

Page 2, line 15, delete everything after the period

Page 2, delete lines 16 and 17

Pages 2 to 3, delete sections 2 and 3 and insert:

"Sec. 2. Minnesota Statutes 2007 Supplement, section 256B.69, subdivision 4, is amended to read:

Subd. 4. **Limitation of choice.** (a) The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6.

(b) The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice:

- (1) persons eligible for medical assistance according to section 256B.055, subdivision 1;
- (2) persons eligible for medical assistance due to blindness or disability as determined by the Social Security Administration or the state medical review team, unless:
 - (i) they are 65 years of age or older; or
 - (ii) they reside in Itasca County or they reside in a county in which the commissioner conducts a pilot project under a waiver granted pursuant to section 1115 of the Social Security Act;
- (3) recipients who currently have private coverage through a health maintenance organization;

(4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense;

(5) recipients who receive benefits under the Refugee Assistance Program, established under United States Code, title 8, section 1522(e);

(6) children who are both determined to be severely emotionally disturbed and receiving case management services according to section 256B.0625, subdivision 20, except children who are eligible for and who decline enrollment in an approved preferred integrated network under section 245.4682;

(7) adults who are both determined to be seriously and persistently mentally ill and received case management services according to section 256B.0625, subdivision 20;

(8) persons eligible for medical assistance according to section 256B.057, subdivision 10; and

(9) persons with access to cost-effective employer-sponsored private health insurance or persons enrolled in a non-Medicare individual health plan determined to be cost-effective according to section 256B.0625, subdivision 15.

Children under age 21 who are in foster placement may enroll in the project on an elective basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective basis. The commissioner may enroll recipients in the prepaid medical assistance program for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending down excess income.

(c) The commissioner may allow persons with a one-month spenddown who are otherwise eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly spenddown to the state.

(d) The commissioner may require those individuals to enroll in the prepaid medical assistance program who otherwise would have been excluded under paragraph (b), clauses (1), (3), and (8), and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.

(e) Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. The commissioner may assign an individual with private coverage through a health maintenance organization, to the same health maintenance organization for medical assistance coverage, if the health maintenance organization is under contract for medical assistance in the individual's county of residence. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.

(f) An infant born to a woman who is eligible for and receiving medical assistance and who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to the month of birth in the same managed care plan as the mother once the child is enrolled in medical assistance unless the child is determined to be excluded from enrollment in a prepaid plan under this section.

(g) For an eligible individual under the age of 65, in the absence of a specific managed care plan choice by the individual, the commissioner shall assign the individual to the county-based purchasing health plan in Olmsted, Winona, Houston, Fillmore, and Mower Counties, if the

individual resides in one of these counties. For an eligible individual over the age of 65, the commissioner shall make this default assignment upon the county-based purchasing plan entering into a contract with the commissioner to serve this population and receiving federal approval as a special needs plan.

Sec. 3. STATEMENT OF COSTS; APPROPRIATION.

By June 1, 2009, the commissioner of human services shall submit to Olmsted County an itemized statement of costs incurred by the Department of Human Services for necessary changes to the department's computer system to implement Minnesota Statutes, section 256B.69, subdivision 4, paragraph (g), along with a bill for the amount of these costs, up to \$18,000. By June 30, 2009, Olmsted County must remit to the commissioner the amount billed. The amount received by the commissioner must be deposited in the state treasury and credited to a special account and is appropriated to the commissioner as reimbursement for the costs billed."

Delete the title and insert:

"A bill for an act relating to health and human services; establishing oversight for rural health cooperative; revising requirements for county-based purchasing for state health care programs; appropriating money; amending Minnesota Statutes 2007 Supplement, section 256B.69, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62R."

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

Senator Cohen from the Committee on Finance, to which was referred

H.F. No. 3969: A bill for an act relating to state government; authorizing the secretary of state to transfer funds; amending Laws 2007, chapter 148, article 1, section 7.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 177.24, subdivision 1, is amended to read:

Subdivision 1. **Amount.** (a) For purposes of this subdivision, the terms defined in this paragraph have the meanings given them.

(1) "Large employer" means an enterprise whose annual gross volume of sales made or business done is not less than \$625,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(2) "Small employer" means an enterprise whose annual gross volume of sales made or business done is less than \$625,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(b) Except as otherwise provided in sections 177.21 to 177.35, every large employer must pay each employee wages at a rate of at least \$5.15 an hour beginning September 1, 1997, and at a rate of at least \$6.15 an hour beginning August 1, 2005 \$6.75 an hour effective July 24, 2008, and at a rate of at least \$7.50 an hour effective July 24, 2009. Every small employer must pay each employee at a rate of at least \$4.90 an hour beginning January 1, 1998, and at a rate of at least \$5.25 an hour

~~beginning August 1, 2005 \$5.75 an hour effective July 24, 2008, and at a rate of at least \$6.75 an hour effective July 24, 2009.~~

(c) Notwithstanding paragraph (b), during the first 90 consecutive days of employment, an employer may pay an employee under the age of ~~20~~ 18 years a wage at a rate of ~~\$4.90~~ at least \$5.35 an hour effective July 24, 2008, and at a rate of at least \$5.75 an hour effective July 24, 2009. No employer may take any action to displace any employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

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

Sec. 2. Minnesota Statutes 2006, section 177.24, is amended by adding a subdivision to read:

Subd. 6. **Notice.** An employer who pays a new employee the current state minimum wage under subdivision 1 must provide a written statement accompanying the first two paychecks of the employee or on the first two paydays of the employee if the employee is paid by electronic transfer. The written statement must be in at least 10-point font and must include the following information:

- (1) the applicable state or federal minimum wage rate required by law; and
- (2) contact information for the Department of Labor and Industry for the reporting of possible minimum wage violations.

EFFECTIVE DATE. This section is effective July 24, 2008."

Delete the title and insert:

"A bill for an act relating to employment; increasing the minimum wage; requiring notice to new employees; amending Minnesota Statutes 2006, section 177.24, subdivision 1, by adding a subdivision."

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

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 588: A bill for an act relating to education; providing for comprehensive family life and sexuality education programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 121A; repealing Minnesota Statutes 2006, section 121A.23.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 121A.23, subdivision 1, is amended to read:

Subdivision 1. **Sexually transmitted infections and diseases program.** The commissioner of education, in consultation with the commissioner of health, shall assist districts in developing and implementing a program to prevent pregnancies and ~~reduce the risk of~~ sexually transmitted infections and diseases, including but not exclusive to human immune deficiency virus and human papilloma virus. Each district must have a program that includes at least:

- (1) planning materials, guidelines, and other ~~technically~~ medically accurate and ~~updated~~ age

appropriate information;

(2) a comprehensive, ~~technically~~ medically accurate, and ~~updated~~ age appropriate curriculum that includes helping students to abstain from sexual activity until marriage, contributes to healthy relationships, develops communication skills, and promotes individual responsibility;

(3) cooperation and coordination among districts and ~~SCs~~ service cooperatives;

(4) ~~a targeting of~~ prevention efforts for adolescents, especially those who may be at high risk of pregnancy or contracting sexually transmitted infections and diseases, ~~for prevention efforts;~~

(5) involvement of parents and other community members;

(6) in-service training for appropriate district staff and school board members;

(7) collaboration with state agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program;

(8) collaboration with local community health services, agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program; and

(9) participation by state and local student organizations.

The department may provide assistance at a neutral site to a nonpublic school participating in a district's program. District programs must not conflict with the health and wellness curriculum developed under Laws 1987, chapter 398, article 5, section 2, subdivision 7.

If a district fails to develop and implement a program to prevent and reduce the risk of sexually transmitted infection and disease, the department must assist the service cooperative in the region serving that district to develop or implement the program."

Delete the title and insert:

"A bill for an act relating to education; modifying the sexually transmitted infections and diseases program; amending Minnesota Statutes 2006, section 121A.23, subdivision 1."

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

SECOND READING OF SENATE BILLS

S.F. No. 588 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2748 and 3969 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Pogemiller, Chair of the Committee on Rules and Administration,

designated S.F. No. 3535 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 3535: A bill for an act relating to pupil transportation; creating an Office of Pupil Transportation Safety; prescribing staffing and duties; requiring report; appropriating money; amending Minnesota Statutes 2006, section 169.435.

Senator Jungbauer moved to amend S.F. No. 3535 as follows:

Page 3, line 3, after the period, insert "This appropriation may not be used to fund additional trooper positions beyond the authorization in Laws 2008, chapter 152, article 1, section 4."

The motion prevailed.. So the amendment was adopted.

S.F. No. 3535 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 59 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Koch	Olseen	Scheid
Bakk	Doll	Kubly	Olson, G.	Sheran
Berglin	Fischbach	Langseth	Olson, M.	Sieben
Betzold	Foley	Larson	Pappas	Skoe
Bonoff	Frederickson	Latz	Pogemiller	Skogen
Carlson	Gerlach	Lourey	Prettner Solon	Sparks
Chaudhary	Gimse	Lynch	Rest	Stumpf
Clark	Hann	Marty	Robling	Tomassoni
Cohen	Higgins	Metzen	Rosen	Torres Ray
Dahle	Ingebrigtsen	Michel	Rummel	Vickerman
Day	Johnson	Moua	Saltzman	Wiger
Dibble	Jungbauer	Murphy	Saxhaug	

Those who voted in the negative were:

Limmer	Ortman	Pariseau	Senjem	Vandevveer
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So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Wergin moved that her name be stricken as a co-author to S.F. No. 3793. The motion prevailed.

Pursuant to Rule 26, Senator Pogemiller, Chair of the Committee on Rules and Administration, designated H.F. No. 1724 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1724: A bill for an act relating to occupations and professions; providing for registration of naturopathic doctors; appropriating money; proposing coding for new law as Minnesota Statutes,

chapter 147E.

Senator Torres Ray moved to amend H.F. No. 1724, the unofficial engrossment, as follows:

Page 5, line 1, delete "2009" and insert "2008"

Page 5, line 21, delete "2" and insert "1"

Page 11, line 13, delete "appointed by the governor"

Page 11, line 17, delete "The council shall not expire." and insert "Section 15.059, subdivision 2, does not apply to this section. Members shall serve two-year terms, and shall serve until their successors have been appointed. The council shall select a chair from its membership."

Page 11, after line 31, insert:

"Subd. 4. **Expiration.** Notwithstanding section 15.059, the advisory council is permanent and does not expire."

Page 12, after line 11, insert:

"Sec. 11. **APPOINTMENT OF NATUROPATHIC DOCTOR ADVISORY COUNCIL.**

The appointments required under Minnesota Statutes, section 147E.35, must be completed by August 1, 2008. The Board of Medical Practice shall designate a member to convene the first meeting of the advisory council. For the purposes of the first appointments under Minnesota Statutes, section 147E.35, subdivision 1, a person who is eligible to apply for registration as a naturopathic doctor under Minnesota Statutes, section 147E.15, may be appointed as a registered naturopathic doctor. If the appointee fails to submit a timely application for registration or if the appointee's application is rejected, the board must remove the appointee from the council and appoint a successor."

Page 13, delete lines 3 to 16 and insert:

"(1) three members appointed by the commissioner from organizations representing naturopathic physicians;

(2) three members appointed by the commissioner from organizations representing traditional naturopaths;

(3) one member appointed by the Acupuncture Association of Minnesota;

(4) one member appointed by the Minnesota Chiropractic Association;

(5) one member appointed by the Minnesota Medical Association; and

(6) one member appointed by the Office of Complementary and Alternative Medicine who does not practice as a traditional naturopath."

Page 14, line 2, delete "2009" and insert "2008"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Dille moved to amend the Torres Ray amendment to H.F. No. 1724, the unofficial engrossment, adopted by the Senate May 16, 2008, as follows:

Page 1, delete line 3

Page 1, line 17, delete "2008" and insert "2009"

Page 1, delete line 34

The motion prevailed. So the amendment was adopted.

Senator Vickerman moved to amend H.F. No. 1724, the unofficial engrossment, as follows:

Page 13, line 32, before "\$8,000" insert "(a)"

Page 13, after line 34, insert:

"(b) \$25,000 in fiscal year 2009 is appropriated from the state government special revenue fund to the commissioner of health for the naturopathy work group. This is a onetime appropriation."

The motion prevailed. So the amendment was adopted.

H.F. No. 1724 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Larson	Ortman	Senjem
Berglin	Foley	Latz	Pappas	Sheran
Betzold	Frederickson	Limmer	Pariseau	Sieben
Bonoff	Gimse	Lourey	Pogemiller	Skoe
Carlson	Hann	Lynch	Prettner Solon	Skogen
Clark	Higgins	Marty	Rest	Sparks
Cohen	Ingebrigtsen	Metzen	Robling	Stumpf
Dahle	Johnson	Michel	Rosen	Tomassoni
Day	Jungbauer	Moua	Rummel	Torres Ray
Dibble	Koch	Murphy	Saltzman	Vickerman
Dille	Kubly	Olseen	Saxhaug	Wergin
Doll	Langseth	Olson, M.	Scheid	Wiger

Those who voted in the negative were:

Gerlach	Olson, G.	Vandever
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So the bill, as amended, was passed and its title was agreed to.

RECESS

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

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

CALL OF THE SENATE

Senator Pogemiller imposed a call of the Senate. The Sergeant at Arms was instructed to bring

in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Executive and Official Communications, Messages From the House and First Reading of House Bills.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 16, 2008

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

I am vetoing and returning Chapter 329, Senate File 2965, the 2008 Surrogacy Gestational Bill.

Surrogate arrangements and contracts are currently occurring in Minnesota without specific statutory guidelines. This bill was controversial and there was bipartisan objection to the bill. Although I agree that certain legal parameters may be needed, this bill raises some significant ethical and public policy issues that have not been adequately addressed.

This bill expressly permits the hiring of women to serve as surrogate mothers. Compensation is not limited in any manner to the payment of expenses related to the pregnancy. We should encourage to the fullest extent possible surrogacy on the basis of donated services similar to how Minnesota addresses donation of bone marrow and organ donation.

This bill is written primarily to protect the interests of intended parents. It does not create strong protections for the surrogate mother. For example, the bill permits the intended parents to include contracts terms that place restrictive controls over the surrogate mother and grants the courts authority to enforce those terms through injunctive relief and the award of monetary damages.

The bill also does not provide sufficient control to remain with the surrogate mother through the pregnancy. For example, the bill allows the surrogate mother to choose her own physician, but only with consultation with the intended parents. The bill fails to clearly identify the right of the surrogate mother to make her own medical decisions during the pregnancy and permits contract provisions that obligate the surrogate mother to undergo any medical treatments recommended by the physician.

Moreover, the bill fails to specifically grant the surrogate mother the right to refuse a request by the intended parents to terminate the pregnancy. As currently drafted, it is not clear whether a surrogate mother could refuse a request that she terminate the pregnancy. Even if the surrogate mother invokes her constitutional rights to refuse medical treatment, that refusal would not necessarily protect her from an award of damages or other remedies for breach of contract.

The bill also allows enforcement of contracts that allow the intended parents to restrict the surrogate mother's activities. The only limit to this control is that the restrictions do not "unreasonably

jeopardize the gestational carrier's own health." Given the remedies allowed in the bill for the intended parents to use the courts to enjoin the surrogate mother's actions and award damages, the threat of enforcement alone is coercive.

The bill also fails in any manner to recognize or protect the life and rights of the unborn child. The unborn child is treated throughout the bill as a chattel, the rights over which are set and enforced under the terms of a contract. Indeed, if a dispute arises under the contract or a breach occurs, the courts are prevented from applying the normal "best interests of the child" standard for resolving the dispute. Instead the courts are required to apply a contract standard to determine the "original intent" of the contracting parties.

Sincerely,
Tim Pawlenty, Governor

Senator Pogemiller moved that S.F. No. 2965 and the veto message thereon be laid on the table. The motion prevailed.

May 16, 2008

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

I have vetoed and am returning Chapter 330, Senate File 3193. Provisions in this bill are similar to the provisions in Chapter 323, which I previously vetoed. I repeat my concerns that this bill would remove the right to confidentiality that was previously promised to birth parents who placed a child for adoption.

I am concerned about this bill's changes to current laws that afford privacy to birth parents who placed a child for adoption before 1977. Under current law, birth parents are notified that birth records eventually become accessible to the adopted child unless a birth parent files an affidavit opposing release of his or her personally identifying information. However, before 1977, adoption records and the original birth record were sealed. Birth parents that placed a child for adoption were promised that their information would be sealed and kept confidential.

Because of this promise of confidentiality, existing law has always treated pre-adoption birth records from before 1977 with a presumption of confidentiality. For example, when the Legislature established a procedure for an adopted person to request disclosure of the person's pre-adoption birth record from the State Registrar, the procedure required notice of the request to the birth parents and an opportunity for either parent to consent or object to the release of his or her personally identifying information. If the birth parents could not be located, or objected to release, a court review process was required for the disclosure of information.

This bill would erase the long-standing presumption of confidentiality for adoptions occurring before 1977 and make those records accessible in the same manner as more recent adoptions. Pre-adoption birth records and personally identifying information would be accessible to the adopted child at age 19 unless the birth parent has affirmatively filed an affidavit opposing release. This bill does not require notice to the pre-1977 birth parents, only posted notices on adoption websites. Accordingly, pre-1977 birth parents are unlikely to receive any actual or meaningful

notice of the potential release of personally identifying information.

Although many birth parents may not object to the release of the pre-adoption birth certificate, a significant number choose to preserve confidentiality. Statistics available from Lutheran Social Services indicate that, on average, 23 percent of the birth mothers contacted declined to release identifying information. Releasing this information without their knowledge or consent has the potential to undermine the law and promises that existed for pre-1977 birth parents.

Before 1977, the law supported a birth parent's expectation their identity and birth records would be forever sealed and confidential. Breaching the promise of confidentiality previously given to these birth parents is not appropriate. Any change to their legitimate expectation of confidentiality must include meaningful notice of the change to the law and an opportunity to protect confidentiality.

Sincerely,
Tim Pawlenty, Governor

Senator Pogemiller moved that S.F. No. 3193 and the veto message thereon be laid on the table. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3082, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3082 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 16, 2008

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3082

A bill for an act relating to retirement; various retirement plans; adding two employment positions to the correctional state employees retirement plan; including certain departments of the Rice Memorial Hospital in Willmar and the Worthington Regional Hospital in privatized public employee retirement coverage; providing for the potential dissolution of the Minnesota Post Retirement Investment Fund; increasing teacher retirement plan reemployed annuitant earnings limitations; temporarily exempting Metropolitan Airports Commission police officers from reemployed annuitant earnings limits; mandating joint and survivor optional annuities rather than single life annuities as basic annuity form; making various changes in retirement plan administrative provisions; clarifying general state employee retirement plan alternative coverage elections by certain unclassified state employees retirement program participants; clarifying direct state aid for the teacher retirement associations; clarifying the handling of unclaimed retirement accounts in the individual retirement account plan; providing for a study of certain Minnesota State Colleges and Universities System tenure track faculty members; modifying the manner

in which official actuarial work for public pension plans is performed; allowing pension plans greater latitude in setting salary and payroll assumptions; extending amortization target dates for various retirement plans; making the number and identity of tax-sheltered annuity vendors a mandatory bargaining item for school districts and their employees; allowing a certain firefighter relief association certain benefit increases; providing for certain teacher retirement benefit and contribution increases; allowing security broker-dealers to directly hold local pension plan assets; increasing upmost flexible service pension maximum amounts for volunteer firefighters; creating a voluntary statewide volunteer firefighter retirement plan advisory board within the Public Employees Retirement Association; allowing various retirement plans to accept labor union retired member dues deduction authorizations; authorizing various prior service credit purchases; authorizing certain service credit and coverage transfers; authorizing a disability benefit application to be rescinded; authorizing a retirement coverage termination; providing an additional benefit to certain injured Minneapolis bomb squad officers; allowing certain Independent School District No. 625 school board members to make back defined contribution retirement plan contributions; revising post-2009 additional amortization state aid allocations; modifying PERA-P&F duty disability benefit amounts; authorizing a PERA prior military service credit purchase; revising the administrative duties of the board and the executive director of the Minnesota State Retirement System; increasing pension commission membership; appropriating money; amending Minnesota Statutes 2006, sections 3.85, subdivision 3; 6.67; 11A.18, subdivision 9, by adding subdivisions; 16A.055, subdivision 5; 43A.346, subdivisions 4, 5, 6, 7; 69.011, subdivision 1; 123B.02, subdivision 15; 127A.50, subdivision 1; 352.03, subdivisions 4, 5; 352.12, subdivision 2; 352.22, subdivision 10; 352.931, subdivision 1; 352.97; 352.98, subdivisions 1, 2, 3, 4, 5; 352D.075, subdivision 2a; 353.01, subdivisions 10, 11a, by adding a subdivision; 353.27, by adding a subdivision; 353.30, subdivision 3; 353.33, subdivision 5; 353.64, subdivision 11; 353.656, subdivision 2; 353D.05, subdivision 2; 353D.12, subdivision 4; 353E.07, subdivision 7; 354.05, subdivisions 37, 38; 354.33, subdivision 5; 354.42, subdivisions 2, 3; 354.44, subdivision 5; 354A.011, subdivision 15a; 354A.12, subdivisions 1, 2a, 3a; 354A.31, subdivisions 3, 4, 4a, 7; 354B.20, by adding a subdivision; 354B.25, subdivision 5, by adding a subdivision; 354C.165; 356.20, subdivisions 1, 2, 3, 4, 4a; 356.214, subdivisions 1, 3, by adding a subdivision; 356.215, subdivisions 1, 2, 3, 8, 11, 18; 356.24, subdivision 1; 356.315, by adding a subdivision; 356.41; 356.46, as amended; 356.47, subdivision 3; 356.551, subdivision 2; 356.611, subdivision 2, by adding a subdivision; 356A.06, subdivisions 1, 7, 8b; 356B.10, subdivision 3; 363A.36, subdivision 1; 383B.914, subdivision 7; 423A.02, subdivision 1b; 424A.001, subdivision 6, by adding a subdivision; 424A.02, subdivisions 3, 7, 9; 424A.05, subdivision 3; 518.003, subdivision 8; Minnesota Statutes 2007 Supplement, sections 43A.346, subdivisions 1, 2; 352.01, subdivision 2a; 352.017, subdivision 2; 352.91, subdivision 3d; 352.955, subdivisions 3, 5; 352D.02, subdivisions 1, 3; 353.01, subdivision 2b; 353.0161, subdivision 2; 353.27, subdivision 14; 353.32, subdivision 1a; 353.656, subdivision 1; 353.657, subdivision 2a; 353F.02, subdivision 4; 354.096, subdivision 2; 354.44, subdivision 6; 354.72, subdivision 2; 354A.12, subdivision 3c; 354C.12, subdivision 4; 356.96, subdivision 1; 422A.06, subdivision 8; Laws 2002, chapter 392, article 2, section 4; Laws 2006, chapter 271, article 5, section 5; proposing coding for new law in Minnesota Statutes, chapters 11A; 352; 353D; 353F; 354; 354C; 356; 423A; repealing Minnesota Statutes 2006, sections 352.96; 354.44, subdivision 6a; 354.465; 354.51, subdivision 4; 354.55, subdivisions 2, 3, 6, 12, 15; 354A.091, subdivisions 1a, 1b; 354A.12, subdivision 3a; 355.629; 356.214, subdivision 2; 356.215, subdivision 2a; Minnesota Statutes 2007 Supplement, section 354A.12, subdivisions 3b, 3c; Laws 1965, chapter 592, sections 3, as amended; 4, as amended; Laws 1967, chapter 575, sections 2, as amended; 3; 4; Laws 1969, chapter 352, section 1, subdivisions 3, 4, 5, 6; Laws

1969, chapter 526, sections 3; 4; 5, as amended; 7, as amended; Laws 1971, chapter 140, sections 2, as amended; 3, as amended; 4, as amended; 5, as amended; Laws 1971, chapter 214, section 1, subdivisions 1, 2, 3, 4, 5; Laws 1973, chapter 304, section 1, subdivisions 3, 4, 5, 6, 7, 8, 9; Laws 1973, chapter 472, section 1, as amended; Laws 1975, chapter 185, section 1; Laws 1985, chapter 261, section 37, as amended; Laws 1991, chapter 125, section 1; Laws 1993, chapter 244, article 4, section 1; Laws 2005, First Special Session chapter 8, article 1, section 23; Minnesota Rules, parts 7905.0100; 7905.0200; 7905.0300; 7905.0400; 7905.0500; 7905.0600; 7905.0700; 7905.0800; 7905.0900; 7905.1000; 7905.1100; 7905.1200; 7905.1300; 7905.1400; 7905.1500; 7905.1600; 7905.1700; 7905.1800; 7905.1900; 7905.2000; 7905.2100; 7905.2200; 7905.2300; 7905.2400; 7905.2450; 7905.2500; 7905.2560; 7905.2600; 7905.2700; 7905.2800; 7905.2900.

May 15, 2008

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 3082 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 3082 be further amended as follows:

Page 13, after line 1, insert:

"Sec. 7. **TEACHER RETIREMENT BENEFITS.**

The Legislative Commission on Pensions and Retirement shall review issues related to Minnesota teacher benefit adequacy and shall compare the level of teacher pension benefits in Minnesota and other states. The commission must report by January 15, 2009, to the chairs and ranking minority members of the legislative committees with jurisdiction over public pensions and education policy and finance.

EFFECTIVE DATE. This section is effective June 30, 2008."

Page 59, delete article 7

Page 92, delete section 1 and insert:

"Section 1. Minnesota Statutes 2006, section 123B.02, subdivision 15, is amended to read:

Subd. 15. **Annuity contract; payroll allocation.** (a) At the request of an employee and as part of the employee's compensation arrangement, the board may purchase an individual annuity contract for an employee for retirement or other purposes and may make payroll allocations in accordance with such arrangement for the purpose of paying the entire premium due and to become due under such contract. The allocation must be made in a manner which will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current Federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own such contract and the employee's rights under the contract shall be nonforfeitable except for failure to pay premiums. Section 122A.40 shall not be applicable hereto and the board shall

have no liability thereunder because of its purchase of any individual annuity contracts. This statute shall be applied in a nondiscriminatory manner to employees of the school district. The identity and number of the available vendors under federal Internal Revenue Code section 403(b) is a term and condition of employment under section 179A.03.

(b) When considering vendors under paragraph (a), the school district and the exclusive representative of the employees shall consider all of the following:

(1) the vendor's ability to comply with all employer requirements imposed by section 403(b) of the Internal Revenue Code of 1986 and its subsequent amendments, other provisions of the Internal Revenue Code of 1986 that apply to section 403(b) of the Internal Revenue Code, and any regulation adopted in relation to these laws;

(2) the vendor's experience in providing 403(b) plans;

(3) the vendor's potential effectiveness in providing client services attendant to its plan and in relation to cost;

(4) the nature and extent of rights and benefits offered under the vendor's plan;

(5) the suitability of the rights and benefits offered under the vendor's plan;

(6) the vendor's ability to provide the rights and benefits offered under its plan; and

(7) the vendor's financial stability.

EFFECTIVE DATE. This section is effective August 1, 2008."

Page 105, delete article 14

Page 140, line 17, delete "partisan"

Page 140, delete article 18 and insert:

"ARTICLE 16

SMALL GROUP PROVISIONS

Section 1. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION COVERAGE TERMINATION.

Subdivision 1. Eligibility. (a) An eligible individual specified in paragraph (b) is authorized to apply for a retirement annuity, provided necessary age and service requirements are met, under Minnesota Statutes, section 353.29 or 353.30, as applicable, as further specified under subdivision 2.

(b) An eligible individual is an individual who:

(1) was employed by Independent School District No. 535, Rochester, on October 6, 1993, and became a member of the Public Employees Retirement Association coordinated plan;

(2) terminated from Independent School District No. 535, Rochester, on December 31, 2003;

(3) was elected to the Rochester City Council on April 22, 2003, and sworn in on May 5, 2003;

(4) was reelected to the Rochester City Council and took office in November 2004;

(5) continued to work for Olmsted County on a contract basis, while serving on the city council;

(6) elected under law then applicable to have Public Employees Retirement Association coordinated plan coverage for the city council elected service; and

(7) terminated Independent School District No. 535, Rochester, employment but is unable to commence receipt of a Public Employees Retirement Association coordinated plan annuity because of the continuing Public Employees Retirement Association coordinated plan coverage for the elected city council service and for Olmsted County.

Subd. 2. **Retirement annuity.** (a) Notwithstanding an irrevocable election to participate in the Public Employees Retirement Association coordinated plan as an elected official and continuation of elected service, an eligible individual under subdivision 1, paragraph (b), is deemed to have terminated membership under Minnesota Statutes, section 353.01, subdivision 11b, following termination of the Olmsted County employment.

(b) If the requirements of paragraph (a) are satisfied, the eligible individual may apply for a retirement annuity under Minnesota Statutes, section 353.29 or 353.30, as applicable. In computing the annuity, the Public Employees Retirement Association must exclude salary due to the elected Rochester City Council service. Deferred annuity augmentation under Minnesota Statutes, section 353.71, applies to this annuity.

Subd. 3. **Treatment of Rochester City Council contributions to the Public Employees Retirement Association.** (a) All employee contributions to the Public Employees Retirement Association coordinated plan by an eligible individual in subdivision 1, paragraph (b), due to the elected Rochester City Council service, and all corresponding employer contributions, must be determined.

(b) An eligible individual under subdivision 1, paragraph (b), must elect, within one year of the effective date of this section or upon termination of elective service, whichever is earlier, a refund under Minnesota Statutes, section 353.34, subdivision 2, of employee contributions determined under paragraph (a), or coverage by the public employees defined contribution plan under Minnesota Statutes, chapter 353D, as further specified in paragraph (c).

(c) If public employee defined contribution plan coverage is elected under paragraph (b), contributions to that plan commence as of the first day of the pay period following this election, and accumulated employee and employer contributions determined under paragraph (a) must be transferred with six percent annual interest to an account for the eligible individual in the public employees defined contribution plan.

(d) If no election is made by an eligible individual by the required date in paragraph (b), the individual is assumed to have elected the refund indicated in paragraph (b).

(e) Upon an election under paragraph (b), or a mandatory refund under paragraph (d), all rights in the Public Employees Retirement Association coordinated plan due to elected Rochester City Council service are forfeited and may not be reestablished.

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

Sec. 2. PERA-GENERAL; ST. PAUL PUBLIC WORKS EMPLOYEE; RETIREMENT ANNUITY REVOCATION.

(a) Notwithstanding any provision of Minnesota Statutes, chapter 353, to the contrary, an eligible person described in paragraph (b) is entitled to withdraw a retirement annuity application previously filed with the general employees retirement plan of the Public Employees Retirement Association and to apply for a disability benefit if determined to have been totally and permanently disabled as of the date of the termination of active employment.

(b) An eligible person is a person who:

(1) was born on March 9, 1949;

(2) was an employee of the Department of Public Works of the city of St. Paul prior to terminating active employment;

(3) suffered an employment-related shoulder injury on May 9, 2006;

(4) suffers from and has been treated for stress and related disorders; and

(5) filed an application for a retirement annuity from the general employees retirement plan of the Public Employees Retirement Association on December 12, 2006, without being provided with a disability benefit application and without being provided with any benefit counseling by the Public Employees Retirement Association.

(c) If the eligible person, upon withdrawing the retirement annuity application in writing and upon filing a disability benefit application with the Public Employees Retirement Association, is determined to have been totally and permanently disabled as of the date of the termination of active employment under Minnesota Statutes, sections 353.01, subdivision 19, and 353.33, the eligible person is entitled to receive a disability benefit effective retroactively from the date on which the eligible person terminated active employment, under the same annuity option selection made on December 12, 2006. The amount of any increased benefit amount between the date of the termination of active employment and the disability determination date is payable in a lump sum as soon as is practicable following the disability determination date.

(d) If the previously filed retirement annuity application is withdrawn under this section and the eligible person is determined not to have been totally and permanently disabled as of the date of the termination of active employment, the prior retirement annuity application is reinstated.

(e) The authority to withdraw a previously filed retirement annuity application under this section expires on January 1, 2009.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any eligible person who was a public employee on December 1, 2006.

Sec. 3. PERA-P&F; TRANSFER OF SERVICE CREDIT FOR PRIOR MAPLE GROVE CITY EMPLOYMENT PERIOD.

Subdivision 1. Authorization. An eligible person described in subdivision 2 is authorized to have service credit transferred under subdivision 3 upon the payment of the additional amounts required under subdivision 4 and upon the substantiation of the nature of the employment under subdivision 5.

Subd. 2. **Eligible person.** For purposes of this section, an eligible person is a person who:

(1) was born on April 12, 1956;

(2) was initially employed by the city of Maple Grove on February 16, 1988;

(3) was employed as a full-time fire inspector by the fire-rescue department of the city of Maple Grove, including daytime response to fire calls, with retirement coverage by the coordinated program of the general employees retirement plan of the Public Employees Retirement Association, on April 2, 1990; and

(4) was transferred to retirement coverage by the public employees police and fire retirement plan as a fire inspector by Maple Grove city council action on January 1, 1996.

Subd. 3. **Service credit transfer.** (a) An eligible person, upon filing a written application as prescribed by the executive director of the Public Employees Retirement Association and upon compliance with subdivisions 4 and 5, shall have service credit for the period from April 2, 1990, to January 1, 1996, transferred from the coordinated program of the general employees retirement plan to the public employees police and fire retirement plan on the first of the month next following the receipt of the additional payments under subdivision 4.

(b) Upon the transfer of service credit under paragraph (a), the service credit of the eligible person in the coordinated program of the general employees retirement plan for the period from April 2, 1990, to January 1, 1996, is forfeited and may not be subsequently restored under Minnesota Statutes, section 353.35, or any other applicable provision of law.

Subd. 4. **Additional payment amounts.** (a) Accompanying the written application under subdivision 3, the eligible person shall include an additional member contribution payment for the period from April 2, 1990, to January 1, 1996. The additional member contribution payment amount is the difference between the member contribution rate under Minnesota Statutes, section 353.65, subdivision 2, and the member contribution rate under Minnesota Statutes, section 353.27, subdivision 2, applied to the eligible person's total covered salary for the period from April 2, 1990, to January 1, 1996, plus annual compound interest from August 1, 1993, to the date on which the payment is made at the rate of 8.5 percent.

(b) Upon receipt of the additional member contributions under paragraph (a), the executive director of the Public Employees Retirement Association shall notify the city of Maple Grove that the payment was made and the amount of the additional employer contribution. Within 30 days of the receipt of the notification from the Public Employees Retirement Association, the city of Maple Grove shall pay the additional employer contribution amount. The amount is the difference between the present value of the eligible person's combined retirement annuity from the coordinated program of the general employees retirement plan and from the public employees police and fire retirement plan as of the end of the month preceding the payment of the additional member contribution amount and the present value of the potential retirement annuity from the public employees police and fire retirement plan if the service credit transfer occurred as of the same date, reduced by the amount of the retirement plan asset transfer under paragraph (c) and by the amount of the additional member contribution amount. The present value computation must be made by the actuary retained under Minnesota Statutes, section 356.214, and must utilize the applicable actuarial assumptions under Minnesota Statutes, section 356.215. The additional employer contribution amount must be paid in a lump sum. If the additional employer contribution payment is not made in a timely fashion, the

executive director of the Public Employees Retirement Association shall notify the commissioners of finance and revenue of that fact and the commissioners shall deduct the required amount from any state aid or other state payment amount applicable to the city, plus interest on the amount at the rate of one percent per month from the payment due date to the actual payment date.

(c) Upon the receipt of the additional member contribution under paragraph (a), the executive director shall transfer an amount equal to double the eligible person's member contributions to the coordinated program of the general employees retirement plan for the period from April 2, 1990, to January 1, 1996, plus compound interest at the annual rate of 8.5 percent from August 1, 1993, to the date of transfer from the general employees retirement fund to the public employees police and fire retirement fund.

Subd. 5. **Public safety employment substantiation.** Service credit is transferrable under this section only if the employment for the city of Maple Grove by the eligible person during the period from April 2, 1990, to January 1, 1996, is documented as constituting firefighter employment sufficient to qualify for public employees police and fire retirement plan membership and eligibility if the city of Maple Grove had adopted the resolution under Minnesota Statutes, section 353.64, subdivision 2, as of April 2, 1990. The city of Maple Grove and the eligible person must provide any relevant documentation required by the executive director of the Public Employees Retirement Association.

Subd. 6. **Expiration.** Authority to transfer service credit under this section expires on July 1, 2009.

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

Sec. 4. **TEACHERS RETIREMENT ASSOCIATION COVERAGE ELECTION FOR CERTAIN MNSCU FACULTY MEMBERS.**

(a) Notwithstanding any provision to the contrary of Minnesota Statutes, chapter 354B, an eligible person described in paragraph (b) may elect prospective and retroactive retirement coverage under paragraph (c).

(b) An eligible person is a person who:

(1) was born on December 9, 1954;

(2) was initially employed by the Minnesota State Colleges and Universities system on a part-time basis at Metropolitan State University on January 12, 2004;

(3) was first employed in excess of 25 percent of full-time employment by the Minnesota State Colleges and Universities system on August 27, 2005;

(4) was covered by the higher education individual retirement account plan because of a failure of the Minnesota State Colleges and Universities system to advise about the default retirement coverage provision of Minnesota Statutes, section 354B.21, subdivision 3; and

(5) became a full-time employee of the Minnesota State Colleges and Universities system as a full-time faculty member at Metropolitan State University on July 17, 2007.

(c) An eligible person may elect retirement coverage by the Teachers Retirement Association rather than the higher education individual retirement account plan for faculty employment rendered

after the date of the retirement coverage election under this section and for past Minnesota State Colleges and Universities system faculty employment from January 12, 2004, until the date of the retirement coverage election. The election must be made in writing, must be filed with the executive director of the Teachers Retirement Association, and must be accompanied with any relevant documentation required by the executive director of the Teachers Retirement Association.

(d) If an eligible person makes the retirement coverage election under paragraph (c), the eligible person's member contributions to the higher education individual retirement account plan must be transferred to the Teachers Retirement Association, with any earned investment returns on those contributions. If the transferred member contributions and investment earnings are less than the calculated amount of the member contribution that the eligible person would have made to the Teachers Retirement Association on the eligible person's compensation from the Minnesota State Colleges and Universities system for the period from August 27, 2005, to the date of the retirement coverage election, if the person had been covered by the Teachers Retirement Association during the period, plus annual compound interest at the rate of 8.5 percent, the eligible person shall pay the balance of that calculated member contribution obligation within 30 days of the retirement coverage election. Any payment may be made through an institution-to-institution transfer from the eligible person's account in the Minnesota state deferred compensation program or the eligible person's tax-sheltered savings account under the federal Internal Revenue Code, section 403(b).

(e) Upon the transfer of the equivalent member contribution amount and any additional payments under paragraph (d), the balance of the eligible person's higher education individual retirement account plan account must be transferred to the Teachers Retirement Association. If the amounts under paragraph (d) and the higher education individual retirement account plan account balance under this paragraph are less than the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.551, the Minnesota State Colleges and Universities system shall pay that difference within 60 days of the retirement coverage election date.

(f) Upon the transfers and payments under paragraphs (d) and (e), the eligible person must be credited by the Teachers Retirement Association with allowable and formula service for Minnesota State Colleges and Universities system employment since January 12, 2004.

(g) The authority to make a retirement coverage election under this section expires on January 1, 2009.

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

Sec. 5. TEACHERS RETIREMENT ASSOCIATION; SERVICE CREDIT PURCHASE AUTHORIZATION.

(a) Notwithstanding any provision of Minnesota Statutes, chapter 354, to the contrary, an eligible person described in paragraph (b) may purchase allowable and formula service credit under Minnesota Statutes, section 354.05, subdivisions 13 and 25, from the Teachers Retirement Association, for the period of prior out-of-state teaching service specified in paragraph (c), by making the payment required under paragraph (d).

(b) An eligible person is a person who:

(1) was born on April 7, 1976;

(2) was a teacher at the Edwardsville High School in O'Fallon, Illinois, during the 1998-1999,

1999-2000, 2000-2001, and 2001-2002 school years;

(3) was a teacher for Independent School District No. 196, Rosemount, at the Apple Valley High School during the 2002-2003, 2003-2004, 2004-2005, 2005-2006, and 2006-2007 school years; and

(4) was on a leave of absence from Independent School District No. 196, Rosemount, for the 2007-2008 school year.

(c) The period of prior service credit available for purchase is up to 4.188 years, representing Illinois teaching service rendered during the 1998-1999, 1999-2000, 2000-2001, and 2001-2002 school years. The prior service credit may not exceed one year of service credit in any school year and may not include any prior teaching service that entitles the eligible person to a current or deferred age and service retirement annuity or disability benefit from the Illinois Teachers Retirement System or that was previously subject to a prior service credit purchase from another defined benefit public employee retirement plan.

(d) The purchase payment amount under this section is the amount calculated under Minnesota Statutes, section 356.551. If permitted by federal law and Illinois state law, the purchase payment obligation may be met in whole or in part by an institution-to-institution transfer of the eligible person's account balance in the Illinois Teachers Retirement System.

(e) The election to purchase prior service credit under this section must be made in writing and must be filed with the executive director of the Teachers Retirement Association. The executive director of the Teachers Retirement Association may require the documentation of the applicability of this section and any other relevant information from the eligible person.

EFFECTIVE DATE; EXPIRATION. This section is effective the day following final enactment and expires on January 1, 2010.

Sec. 6. REVISED TOTAL AND PERMANENT DISABILITY BENEFIT, MINNEAPOLIS BOMB SQUAD DISABILITANT.

(a) Notwithstanding Minnesota Statutes 2007 Supplement, section 353.656, subdivision 1a, to the contrary, an eligible person specified in paragraph (b) is entitled to the benefit specified in paragraph (c).

(b) An eligible person is a person who:

(1) was born on September 9, 1964;

(2) was injured on February 9, 2005, while working as a police officer on the city of Minneapolis bomb squad, causing traumatic brain injury;

(3) because of ineligibility for coverage under the federal Old Age, Survivors, and Disability Insurance Program, is not eligible for federal Old Age, Survivors, and Disability Insurance Program disability benefits; and

(4) commenced receiving public employees police and fire retirement plan disability benefits on August 12, 2006.

(c) The disability benefit payable to an eligible person specified in paragraph (b) is 75 percent of average salary as defined in Minnesota Statutes, section 353.01, subdivision 17a. The benefit

specified in this paragraph commences on the first day of the month after the effective date, and is in lieu of the disability benefit otherwise provided by law.

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

Sec. 7. PERA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT NO. 2859, GLENCOE/SILVER LAKE, ANNUITANT WAIVER OF REPAYMENT REQUIREMENT.

(a) Notwithstanding any provisions of Minnesota Statutes 2007 Supplement, section 353.01, subdivision 28, to the contrary, an eligible person described in paragraph (b) must be considered by the executive director of the Public Employees Retirement Association to have retired on September 30, 2003, although the person rendered service in October 2003 as an employee of an independent contractor which provided services to the same governmental subdivision from which the individual terminated service on September 30, 2003.

(b) An eligible person is a person who:

(1) was born on November 13, 1944;

(2) was hired on August 17, 1964, by Independent School District No. 422, Glencoe, predecessor of the now consolidated Independent School District No. 2859, Glencoe/Silver Lake, with coverage by the general employees retirement plan of the Public Employees Retirement Association;

(3) terminated employment as manager of the grounds and transportation for the school district on September 30, 2003; and

(4) relying upon incomplete or erroneous information provided by the Public Employees Retirement Association regarding separation from service requirements as it applies to independent contractor employment, became an employee in October 2003 of the independent contractor providing bus service for the same school district.

(c) Notwithstanding Minnesota Statutes, section 353.27, subdivision 7b, an eligible person described in paragraph (b) must not be required to repay, through suspension or reduction of the annuity or any other means, any Public Employees Retirement Association general plan retirement annuity amount received before December 31, 2004.

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

Sec. 8. PERA-GENERAL; CITY OF ST. PAUL EMPLOYEE SERVICE CREDIT PURCHASE.

(a) An eligible person described in paragraph (b) is entitled to purchase allowable service credit from the general employees retirement plan of the Public Employees Retirement Association for the period of employment by the city of St. Paul between May 1, 1982, and March 31, 1984, that qualified as employment by a public employee under Minnesota Statutes 1982, section 353.01, subdivision 2, that was not previously credited by the retirement plan.

(b) An eligible person is a person who:

(1) was born on March 25, 1960;

(2) was first employed by the city of St. Paul on April 23, 1979;

(3) qualified for Public Employees Retirement Association general plan coverage in May 1982 but was not reported by the city of St. Paul to the Public Employees Retirement Association for coverage until April 1984; and

(4) became a member of the general employees retirement plan of the Public Employees Retirement Association in April 1984.

(c) The eligible person described in paragraph (b) is authorized to apply with the executive director of the Public Employees Retirement Association to make the service credit purchase under this section. The application must be in writing and must include all necessary documentation of the applicability of this section and any other relevant information that the executive director may require.

(d) Allowable service credit under Minnesota Statutes, section 353.01, subdivision 16, must be granted by the general employees retirement plan of the Public Employees Retirement Association to the account of the eligible person upon the receipt of the prior service credit purchase payment amount required under Minnesota Statutes, section 356.551.

(e) Of the prior service credit purchase payment amount under Minnesota Statutes, section 356.551, the eligible person must pay an amount equal to the employee contribution rate or rates in effect during the uncredited employment period applied to the actual salary rates in effect during the period, plus annual compound interest at the rate of 8.5 percent from the date the member contribution payment should have been made if made in a timely fashion until the date on which the contribution is actually made. If the equivalent member contribution payment, plus interest, is made, the city of St. Paul shall pay the balance of the total prior service credit purchase payment amount under Minnesota Statutes, section 356.551, within 60 days of notification by the executive director of the Public Employees Retirement Association that the member contribution equivalent payment has been received by the association.

(f) Authority for an eligible person to make a prior service credit purchase under this section expires on June 30, 2009, or upon termination of employment covered by the Public Employees Retirement Association, whichever is earlier.

(g) If the city of St. Paul fails to pay its portion of the prior service credit purchase payment amount under paragraph (e), the executive director of the Public Employees Retirement Association must notify the commissioners of finance and revenue of that fact and the commissioners shall order the deduction of the required payment amount from the next payment of any state aid to the city of St. Paul and the commissioners shall transmit the applicable amount to the general employees retirement fund of the Public Employees Retirement Association.

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

Sec. 9. ST. PAUL SCHOOL BOARD; PRIOR SERVICE PURCHASE.

(a) An eligible person described in paragraph (b) is entitled to purchase prior uncredited service rendered as a member of the board of education of Independent School District No. 625, St. Paul, from the defined contribution retirement plan of the Public Employees Retirement Association.

(b) An eligible person is a person who has one of the following combinations of date of birth, date of initial membership on the board of education of Independent School District No. 625, St. Paul, and first enrolled in the public employees defined contribution plan:

<u>person</u>	<u>birth date</u>	<u>date of initial school board membership</u>	<u>date of enrollment in public employees defined contribution plan</u>
<u>A</u>	<u>January 10, 1955</u>	<u>January 1, 2000</u>	<u>August 28, 2007</u>
<u>B</u>	<u>May 15, 1957</u>	<u>January 1, 2006</u>	<u>January 20, 2007</u>
<u>C</u>	<u>May 7, 1960</u>	<u>January 1, 1992</u>	<u>February 17, 1998</u>
<u>D</u>	<u>July 16, 1969</u>	<u>January 1, 2004</u>	<u>April 13, 2007</u>

(c) To make the purchase, eligible persons A, B, and D shall pay an amount equal to five percent of the salary of the eligible person between the date of the initial school board membership and the date of enrollment in the public employees defined contribution plan, plus compound interest on that amount from the midpoint of that period to the date of payment. To make the purchase, eligible person C shall make two payments, one before December 15, 2008, and the other after January 1, 2009, and before January 31, 2010, each in an amount equal to 2.5 percent of the salary of the eligible person between January 1, 1992, and February 17, 1998, plus compound interest on that amount at the rate of six percent from July 1, 1994, to the date of payment.

(d) If the eligible person makes the payment under paragraph (c), Independent School District No. 625, St. Paul, shall pay an amount equal to the payment amount or amounts under paragraph (c). The employer payment or payments must be made within ten days of the date of notification of the eligible person's payment by the executive director of the Public Employees Retirement Association.

(e) This authority expires on May 31, 2010, or on the first day of the month next following the conclusion of the eligible member's elected public service, whichever occurs earlier.

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

Sec. 10. TEACHERS RETIREMENT ASSOCIATION; SERVICE CREDIT PURCHASE AUTHORIZATION.

(a) Notwithstanding any provision of Minnesota Statutes, chapter 354, to the contrary, unless the period to be purchased is credited as allowable service by another retirement plan covered by Minnesota Statutes, section 356.30, or is ineligible for credit as allowable or formula service under Minnesota Statutes, chapter 354, an eligible person described in paragraph (b) may purchase allowable and formula service credit under Minnesota Statutes, section 354.05, subdivisions 13 and 25, from the Teachers Retirement Association, for the period specified in paragraph (c), by making the payment required under paragraph (d).

(b) An eligible person is a person who:

(1) was born on December 8, 1974; and

(2) took a leave of absence from teaching in Wayzata, Independent School District, No. 284, from January, 2006, through March, 2006, during which the person did not receive allowable and formula service credit from the Teachers Retirement Association.

(c) The period of prior service credit available for purchase is 26.5 days.

(d) The purchase payment amount under this section is the amount calculated in Minnesota

Statutes, section 356.551.

(e) The election to purchase prior service credit under this section must be made in writing and must be filed with the executive director of the Teachers Retirement Association. The executive director may require documentation of the applicability of this section and any other relevant information from the eligible person.

EFFECTIVE DATE; EXPIRATION. (a) This section is effective the day following final enactment.

(b) This section expires on June 30, 2009.

Sec. 11. MSRS-UNCLASSIFIED PROGRAM; MARITAL PROPERTY DIVISION.

(a) An eligible state employee described in paragraph (b) may elect to have the person's account in the unclassified state employees retirement program of the Minnesota State Retirement System governed by Minnesota Statutes, chapter 352D, divided as provided in a marital property division decree as part of a marriage dissolution action prior to the date on which the person terminates state employment.

(b) An eligible state employee is a person who:

(1) was born on July 19, 1953;

(2) was employed by the State Lottery in October 1989; and

(3) filed a marital property division decree from a marriage dissolution action with the executive director of the Minnesota State Retirement System.

(c) The former spouse of an eligible state employee, following the division election under paragraph (a), may, upon filing a written application, withdraw the cash value of the shares to the credit of the former spouse or leave those shares on deposit in the supplemental investment fund.

(d) If the eligible state employee described in paragraph (b) exercises a retirement coverage transfer option election under Minnesota Statutes, section 352D.02, subdivision 3, and if the eligible state employee had previously exercised the division election under paragraph (a), the redemption of shares by the eligible state employee under Minnesota Statutes, section 352D.02, subdivision 3, is limited to the employee's portion of the total account amount and the allowable service credit of the employee in the general state employees retirement plan obtained by the election must bear the same relationship to the total state employment of the employee that the employee's portion of the total account bears to the total account amount. An election by an eligible state employee under Minnesota Statutes, section 352D.02, subdivision 3, does not apply to the former spouse and does not prevent the former spouse from utilizing Minnesota Statutes, section 352D.05, at any time after the division election under paragraph (a) is made or Minnesota Statutes, section 352D.06, when the former spouse attains at least age 55.

(e) A division election under paragraph (a) is irrevocable.

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

Renumber the articles in sequence

Amend the title as follows:

Page 1, line 11, delete everything after the semicolon

Page 1, delete line 12

Page 1, line 13, delete everything before "clarifying"

Page 1, line 22, delete "providing" and insert "requiring a review of teacher benefits;"

Page 1, line 23, delete everything before "allowing"

Page 1, line 38, delete everything before "appropriating"

Correct the title numbers accordingly

We request the adoption of this report and repassage of the bill.

House Conferees: (Signed) Mary Murphy, Phyllis Kahn, Paul Thissen, Michael V. Nelson, Steve Smith

Senate Conferees: (Signed) Don Betzold, Dan Larson, Mary A. Olson, Ann Lynch, Betsy L. Wergin

Senator Betzold moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3082 be now adopted, and that the bill be repassed as amended by the Conference Committee.

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate for the balance of the proceedings on H.F. No. 3082. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Betzold motion. The motion prevailed. So the recommendations and Conference Report were adopted.

H.F. No. 3082 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 57 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Ingebrigtsen	Lourey	Olson, M.
Bakk	Dille	Johnson	Lynch	Pappas
Betzold	Doll	Koch	Marty	Pariseau
Bonoff	Fischbach	Koering	Metzen	Pogemiller
Carlson	Foley	Kubly	Michel	Prettner Solon
Clark	Frederickson	Langseth	Moua	Rest
Cohen	Gimse	Larson	Murphy	Robling
Dahle	Hann	Latz	Olseen	Rosen
Day	Higgins	Limmer	Olson, G.	Rummel

Saltzman
Saxhaug
Scheid

Senjem
Sieben
Skoe

Skogen
Sparks
Stumpf

Torres Ray
Vickerman
Wergin

Those who voted in the negative were:

Chaudhary
Erickson Ropes

Gerlach
Jungbauer

Sheran
Tomassoni

Vandever
Wiger

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3800, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3800 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 16, 2008

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3800

A bill for an act relating to transportation; modifying or adding provisions relating to highways, motor vehicles, traffic regulations, drivers' licenses and records, transit, railroads, motor carriers, and other transportation-related programs or activities; imposing penalties; requiring reports; making technical and clarifying corrections; amending Minnesota Statutes 2006, sections 86B.825, subdivision 5; 123B.88, subdivision 3; 161.081, subdivision 3, as amended, by adding subdivisions; 168.011, subdivision 7; 168.012, subdivision 1; 168.021, subdivisions 1, 2; 168.09, subdivision 7; 168.185; 168A.03, subdivision 1; 168A.05, subdivision 9; 168B.051, subdivision 2; 168B.06, subdivisions 1, 3; 168B.07, by adding subdivisions; 168B.08, subdivision 1; 168B.087, subdivision 1; 169.01, subdivisions 55, 76, by adding subdivisions; 169.18, subdivisions 1, 5, by adding a subdivision; 169.224; 169.67, subdivision 3; 169.781, subdivisions 1, 2, 5; 169.79; 169.801; 169.82, subdivision 3; 169.826, subdivision 1a; 169.85, subdivision 1; 169.86, by adding a subdivision; 169A.03, subdivision 23; 171.01, subdivisions 35, 46; 171.02, by adding a subdivision; 171.03; 171.055, subdivisions 1, 2; 171.0701; 171.12, subdivision 6; 171.13, by adding a subdivision; 171.165, subdivision 2; 171.321, subdivision 1; 174.02, subdivision 2; 174.03, subdivision 1; 174.24, by adding a subdivision; 221.011, by adding a subdivision; 221.031, subdivision 1; 221.036, subdivisions 1, 3; 221.121, subdivisions 1, 6a; 221.151, subdivision 1; 299D.03, subdivision 1; 299D.06; 473.1465, by adding a subdivision; 473.388, subdivision 2; 473.399, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 168.017, subdivision 3; 169.443, subdivision 9; 171.02, subdivision 2; Laws 2002, chapter 393, section 85; Laws 2008, chapter 152, article 2, sections 1, 3, subdivision 2; article 3, sections 6, 8; article 6, section 7; proposing coding for new law in Minnesota Statutes, chapters 123B; 169; 171; 174; 219; repealing Minnesota Statutes 2006, sections 168B.087, subdivision 2; 169.145; 221.121,

subdivision 4.

May 15, 2008

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 3800 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 3800 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION POLICY

Section 1. Minnesota Statutes 2006, section 86B.825, subdivision 5, is amended to read:

Subd. 5. **No legal title without certificate.** A person acquiring a watercraft, required to have a certificate of title under this section, through a sale or gift does not acquire a right, title, claim, or interest in the watercraft until the person has been issued a certificate of title to the watercraft or has received a manufacturer's or importer's certificate. A waiver or estoppel does not operate in favor of that person against another person who has obtained possession of the certificate of title or manufacturer's or importer's certificate for the watercraft for valuable consideration.

Sec. 2. Minnesota Statutes 2006, section 161.14, is amended by adding a subdivision to read:

Subd. 61. **Mayor William "Bill" Sandberg Memorial Bridge.** The bridge over Margaret Street on marked Trunk Highway 36 in North St. Paul is designated the "Mayor William "Bill" Sandberg Memorial Bridge." The commissioner of transportation shall adopt a suitable design to mark this highway and erect appropriate signs, subject to section 161.139.

Sec. 3. Minnesota Statutes 2006, section 162.02, is amended by adding a subdivision to read:

Subd. 3b. **Insurance standards.** When reviewing data and information for the development of safety improvements for trunk highways and state-aid projects, the commissioner of transportation may consider, among other things, the Insurance Institute for Highway Safety's findings in addition to standards contained in Department of Transportation manuals, American Association of State Highway and Transportation Officials manual on design of highways and streets, and other applicable federal publications.

Sec. 4. Minnesota Statutes 2006, section 163.051, subdivision 1, is amended to read:

Subdivision 1. **Tax authorized.** (a) Except as provided in paragraph (b), the board of commissioners of each metropolitan county is authorized to levy a wheelage tax of \$5 for the year 1972 and each subsequent year thereafter by resolution on each motor vehicle, ~~except motoreycles as defined in section 169.01, subdivision 4, which~~ that is kept in such county when not in operation

and ~~which~~ that is subject to annual registration and taxation under chapter 168. The board may provide by resolution for collection of the wheelage tax by county officials or it may request that the tax be collected by the state registrar of motor vehicles, and the state registrar of motor vehicles shall collect such tax on behalf of the county if requested, as provided in subdivision 2.

(b) The following vehicles are exempt from the wheelage tax:

- (1) motorcycles, as defined in section 169.01, subdivision 4;
- (2) motorized bicycles, as defined in section 169.01, subdivision 4a;
- (3) electric-assisted bicycles, as defined in section 169.01, subdivision 4b; and
- (4) motorized foot scooters, as defined in section 169.01, subdivision 4c.

Sec. 5. Minnesota Statutes 2006, section 168.011, subdivision 7, is amended to read:

Subd. 7. **Passenger automobile.** (a) "Passenger automobile" means any motor vehicle designed and used for carrying not more than 15 individuals, including the driver.

(b) "Passenger automobile" does not include motorcycles, motor scooters, buses, school buses, or commuter vans as defined in section 168.126. Except as provided in paragraph (c), clause (1), a vehicle with a gross vehicle weight rating of 9,000 to 13,000 pounds that is a pickup truck or a van is not a passenger automobile.

(c) "Passenger automobile" includes, but is not limited to:

(1) pickup trucks and vans, including those vans designed to carry passengers, with a manufacturer's nominal rated carrying capacity of one ton a vehicle that is: (i) a pickup truck or a van; (ii) not used in furtherance of a commercial enterprise; and (iii) not subject to state or federal regulation as a commercial motor vehicle; and

(2) neighborhood electric vehicles, as defined in section 169.01, subdivision 91; and

(3) medium-speed electric vehicles, as defined in section 169.01, subdivision 94.

EFFECTIVE DATE. Paragraph (b) and paragraph (c), clause (1), are effective the day following final enactment and apply to any additional tax for a registration period that starts on or after March 1, 2011.

Sec. 6. Minnesota Statutes 2006, section 168.011, subdivision 22, is amended to read:

Subd. 22. **Special mobile equipment.** (a) "Special mobile equipment" means every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including except vehicles described in paragraph (b). Special mobile equipment includes, but is not limited to: ditch-digging apparatuses, moving dollies, pump hoists and other water well-drilling equipment registered and licensed under chapter 103I, street-sweeping vehicles, and other road construction or road maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, aggregate processing and conveying equipment, truck-mounted log loaders, earth moving carryalls, scrapers, power shovels, draglines, self-propelled cranes, and earth moving equipment that are used exclusively for

commercial logging, and self-propelled cranes. ~~The term~~

(b) "Special mobile equipment" does not include ~~travel trailers~~; (1) machinery that has been temporarily or permanently mounted on a commercial motor vehicle chassis that is used only to provide a service and is not able to haul goods for resale; or (2) dump trucks, ~~truck-mounted transit mixers, truck-mounted feed-grinders, or other motor vehicles designed for the transportation of persons or property to which machinery has been attached.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any additional tax for a registration period that starts on or after March 1, 2009.

Sec. 7. Minnesota Statutes 2006, section 168.012, subdivision 1, is amended to read:

Subdivision 1. **Vehicles exempt from tax, fees, or plate display.** (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from those institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for charitable, religious, or educational purposes;

(5) vehicles owned by nonprofit charities and used exclusively for disaster response and related activities;

(6) ambulances owned by ambulance services licensed under section 144E.10, the general appearance of which is unmistakable; and

~~(6)~~ (7) vehicles owned by a commercial driving school licensed under section 171.34, or an employee of a commercial driving school licensed under section 171.34, and the vehicle is used exclusively for driver education and training.

(b) Vehicles owned by the federal government, municipal fire apparatuses including fire-suppression support vehicles, police patrols, and ambulances, the general appearance of which is unmistakable, are not required to register or display number plates.

(c) Unmarked vehicles used in general police work, liquor investigations, or arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the Department of Corrections, must be registered and must display appropriate license number plates, furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the Department of Corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a Department of Corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the Departments of Revenue and Labor and Industry, fraud unit, in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates, furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue or the commissioner of labor and industry. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) Unmarked vehicles used by the Division of Disease Prevention and Control of the Department of Health must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of health. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Division of Disease Prevention and Control.

(f) Unmarked vehicles used by staff of the Gambling Control Board in gambling investigations and reviews must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the board chair. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Gambling Control Board.

(g) Each state hospital and institution for persons who are mentally ill and developmentally disabled may have one vehicle without the required identification on the sides of the vehicle. The vehicle must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the hospital administrator. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the state hospital or institution.

(h) Each county social service agency may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle. The vehicles must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the agency administrator. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the social service agency.

(i) All other motor vehicles must be registered and display tax-exempt number plates, furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates must have the name of the state department or political subdivision, nonpublic high school operating a driver education program, ~~or~~ licensed commercial driving school, or other qualifying organization or entity, plainly displayed on both sides of the vehicle; ~~except that each state hospital and institution for persons who are mentally ill and developmentally disabled may have one vehicle without the required identification on the sides of the vehicle, and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle.~~ This identification must be in a color giving contrast with that of the part of the vehicle on which it is placed and must endure

throughout the term of the registration. The identification must not be on a removable plate or placard and must be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 8. Minnesota Statutes 2006, section 168.012, is amended by adding a subdivision to read:

Subd. 2c. **Spotter trucks.** Spotter trucks, as defined in section 169.01, subdivision 7a, shall not be taxed as motor vehicles using the public streets and highways, and shall be exempt from the provisions of this chapter.

EFFECTIVE DATE. This section is effective the day following final enactment and expires June 30, 2013.

Sec. 9. Minnesota Statutes 2006, section 168.013, is amended by adding a subdivision to read:

Subd. 11. **Concrete pumps and street-sweeping vehicles.** The tax on vehicle-mounted concrete pumps and street-sweeping vehicles that are not registered under section 168.187 is 15 percent of the Minnesota base rate schedule. Vehicles registered under this subdivision must display plates from a distinctive series.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any additional tax for a registration period that starts on or after March 1, 2009.

Sec. 10. Minnesota Statutes 2006, section 168.021, subdivision 1, is amended to read:

Subdivision 1. **Disability plates; application.** (a) When a motor vehicle registered under section 168.017, a motorcycle, a truck having a manufacturer's nominal rated capacity of one ton and resembling a pickup truck, or a self-propelled recreational vehicle is owned or primarily operated by a permanently physically disabled person or a custodial parent or guardian of a permanently physically disabled minor, the owner may apply for and secure from the commissioner (1) immediately, a temporary permit valid for 30 days if the applicant is eligible for the disability plates issued under this section and (2) two disability plates with attached emblems, one plate to be attached to the front, and one to the rear of the motor vehicle.

(b) The commissioner shall not issue more than one set of plates to any owner of a motor vehicle at the same time unless ~~all motor vehicles have been specifically modified for and are used exclusively by a permanently physically disabled person~~ the state council on disability approves the issuance of a second set of plates to a motor vehicle owner.

(c) When the owner first applies for the disability plates, the owner must submit a medical statement in a format approved by the commissioner under section 169.345, or proof of physical disability provided for in that section.

(d) No medical statement or proof of disability is required when an owner of a motor vehicle applies for plates for one or more motor vehicles that are specially modified for and used exclusively by permanently physically disabled persons.

(e) The owner of a motor vehicle may apply for and secure (i) immediately, a permit valid for 30 days, if the applicant is eligible to receive the disability plates issued under this section, and (ii) a set of disability plates for a motor vehicle if:

(1) the owner employs a permanently physically disabled person who would qualify for disability plates under this section; and

(2) the owner furnishes the motor vehicle to the physically disabled person for the exclusive use of that person in the course of employment.

Sec. 11. Minnesota Statutes 2006, section 168.021, subdivision 2, is amended to read:

Subd. 2. **Plate design; furnished by commissioner.** The commissioner shall design and furnish two disability plates with attached emblems to each an eligible owner. The emblem must bear the internationally accepted wheelchair symbol, as designated in section 16B.61, subdivision 5, approximately three inches square. The emblem must be large enough to be visible plainly from a distance of 50 feet. An applicant eligible for disability plates shall pay the motor vehicle registration fee authorized by sections 168.013 and 168.09.

Sec. 12. Minnesota Statutes 2006, section 168.09, subdivision 7, is amended to read:

Subd. 7. **Display of temporary permit; special plates.** (a) A vehicle that displays a ~~special Minnesota plate issued under section 168.021; 168.12, subdivision 2, 2a, 2b, 2c, or 2d; 168.123; 168.124; 168.125; 168.126; 168.128; or 168.129,~~ chapter 168 may display a temporary permit in conjunction with expired registration if:

(1) the current registration tax and all other fees and taxes have been paid in full; and

(2) the plate ~~requires replacement under section 168.12, subdivision 1, paragraph (d), clause (3)~~ has been applied for.

(b) A vehicle ~~that is registered under section 168.10~~ may display a temporary permit in conjunction with expired registration, with or without a registration plate, if:

(1) the plates have been applied for and;

(2) the registration tax ~~has~~ and other fees and taxes have been paid in full, ~~as provided for in section 168.10;~~ and

~~(2)~~ (3) either the vehicle is used solely as a collector vehicle while displaying the temporary permit and not used for general transportation purposes or the vehicle was issued a 21-day permit under section 168.092, subdivision 1.

(c) The permit is valid for a period of 60 days. The permit must be in a format prescribed by the commissioner and whenever practicable must be posted upon the driver's side of the rear window on the inside of the vehicle. The permit is valid only for the vehicle for which it was issued to allow a reasonable time for the new plates to be manufactured and delivered to the applicant. The permit may be issued only by the commissioner or by a deputy registrar under section 168.33.

Sec. 13. [168.1295] MINNESOTA SESQUICENTENNIAL SPECIAL PLATES.

Subdivision 1. Issuance and design. Notwithstanding section 168.1293, the commissioner shall issue Minnesota sesquicentennial plates or one motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, one-ton pickup truck, motorcycle, or recreational vehicle;

(2) pays a fee of \$10 for each set of license plates;

(3) contributes a minimum of \$25 to the Minnesota Sesquicentennial Commission; and

(4) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Novelty plates.** Notwithstanding subdivision 1, the commissioner may issue distinctive Minnesota Sesquicentennial novelty plates for a fee of \$5 for each plate, and a minimum contribution of \$25 to the Minnesota Sesquicentennial Commission.

Subd. 3. **Design.** After consultation with the Minnesota Sesquicentennial Commission, the commissioner shall design the special plate.

Subd. 4. **Plates transfer.** On payment of a transfer fee of \$5, plates issued under subdivision 1 may be transferred to another passenger automobile, one-ton pickup truck, motorcycle, or recreational vehicle registered to the individual to whom the special plates were issued.

Subd. 5. **Fees.** Fees collected under subdivision 1, clause (2), or under subdivision 2, are credited to the vehicle services operating account in the special revenue fund.

Subd. 6. **Contributions.** Contributions collected under subdivision 1, clause (3), or under subdivision 2, are credited to the sesquicentennial account, which is established in the special revenue fund. Money in the account is appropriated to the Minnesota Sesquicentennial Commission to be used in performance of the commission's powers and duties. After the commission expires, money in the account is appropriated to the Capitol Area Architectural and Planning Board for restoration and renovation of the Capitol Building.

EFFECTIVE DATE. This section is effective the day following final enactment and expires for issuance of plates after June 30, 2011.

Sec. 14. Minnesota Statutes 2006, section 168.185, is amended to read:

168.185 USDOT NUMBERS.

(a) Except as provided in paragraph (d), an owner of a truck or truck-tractor having a gross vehicle weight of more than 10,000 pounds, as defined in section 169.01, subdivision 46, ~~other than a farm truck that is not used in interstate commerce,~~ shall report to the ~~registrar~~ commissioner at the time of registration its USDOT carrier number. A person subject to this paragraph who does not have a USDOT number shall apply for the number at the time of registration by completing a form MCS-150 Motor Carrier Identification Report, issued by the Federal Motor Carrier Safety Administration, or comparable document as determined by the ~~registrar~~ commissioner. The ~~registrar~~ commissioner shall not assign a USDOT carrier number to a vehicle owner who is not subject to this paragraph.

(b) Assigned USDOT numbers need not be displayed on the outside of the vehicle, but must be made available upon request of an authorized agent of the ~~registrar~~ commissioner, peace officer, other employees of the State Patrol authorized in chapter 299D, or employees of the Minnesota Department of Transportation. The vehicle owner shall notify the ~~registrar~~ commissioner if there is a change to the owner's USDOT number.

(c) If an owner fails to report or apply for a USDOT number, the ~~registrar~~ commissioner shall

suspend the owner's registration.

~~(d) Until October 1, 2003, paragraphs (a) to (c) do not apply to an agricultural fertilizer or agricultural chemical retailer while exclusively engaged in delivering fertilizer or agricultural chemicals to a farmer for on-farm use. This section does not apply to (1) a farm truck that is not used in interstate commerce, (2) a vehicle that is not used in intrastate commerce or interstate commerce, or (3) a vehicle that is owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision.~~

Sec. 15. Minnesota Statutes 2006, section 168.28, is amended to read:

168.28 VEHICLES SUBJECT TO TAX; EXCEPTIONS.

Every motor vehicle (except those exempted in section 168.012, and except those which are being towed upon the streets and highways and which shall not be deemed to be using the streets and highways within the meaning of this section) shall be deemed to be one using the public streets and highways and hence as such subject to taxation under this chapter if such motor vehicle has since April 23, 1921, used such public streets or highways, or shall actually use them, or if it shall come into the possession of an owner other than as a manufacturer, dealer, warehouse operator, mortgagee or pledgee. New and unused motor vehicles in the possession of a dealer solely for the purpose of sale, and used ~~or secondhand~~ motor vehicles which have not theretofore used the public streets or highways of this state which are in the possession of a dealer solely for the purpose of sale and which are duly listed as herein provided, shall not be deemed to be vehicles using the public streets or highways. The driving or operating of a motor vehicle upon the public streets or highways of this state by a motor vehicle dealer or any employee of such motor vehicle dealer for demonstration purposes or for any purpose incident to the usual and customary conduct and operation of the business in which licensed under section 168.27 to engage, or solely for the purpose of moving it from points outside or within the state to the place of business or storage of a licensed dealer within the state or solely for the purpose of moving it from the place of business of a manufacturer, or licensed dealer within the state to the place of business or residence of a purchaser outside the state, shall not be deemed to be using the public streets or highways in the state within the meaning of this chapter or of the Constitution of the state of Minnesota, article XIV, and shall not be held to make the motor vehicle subject to taxation under this chapter as one using the public streets or highways, if during such driving or moving the dealer's plates herein provided for shall be duly displayed upon such vehicle. Any dealer or distributor may register a motor vehicle prior to its assessment or taxation as personal property, and pay the license fee and tax thereon for the full calendar year as one using the public streets and highways, and thereafter such vehicle shall be deemed to be one using the public streets and highways and shall not be subject to assessment or taxation as personal property during the calendar year for which it is so registered, whether or not such vehicle shall actually have used the streets or highways. Special mobile equipment is subject to a penalty equal to the tax due under this chapter for the full registration year if it is used to transport persons or property at any time using the public streets.

Sec. 16. Minnesota Statutes 2006, section 168A.01, subdivision 21, is amended to read:

Subd. 21. **Special mobile equipment.** ~~"Special mobile equipment" means every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including but not limited to: ditch digging apparatuses, well boring apparatuses, moving dollies, sawing machines, corn shellers, and road construction~~

~~and maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earth-moving carryalls and scrapers, power shovels and draglines, and self-propelled cranes and earth-moving equipment. The term does not include travel trailers, dump trucks, truck-mounted transit mixers, truck-mounted feed grinders, or other vehicles designed for the transportation of persons or property to which machinery has been attached~~ has the meaning given it in section 168.011.

Sec. 17. Minnesota Statutes 2006, section 168A.03, subdivision 1, is amended to read:

Subdivision 1. **No certificate issued.** The registrar shall not issue a certificate of title for:

- (1) a vehicle owned by the United States;
- (2) a vehicle owned by a nonresident and not required by law to be registered in this state;
- (3) a vehicle owned by a nonresident and regularly engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state;
- (4) a vehicle moved solely by animal power;
- (5) an implement of husbandry;
- (6) special mobile equipment;
- (7) a self-propelled wheelchair or invalid tricycle;
- (8) a trailer (i) having a gross weight of 4,000 pounds or less unless a secured party holds an interest in the trailer or a certificate of title was previously issued by this state or any other state or (ii) designed primarily for agricultural purposes except a recreational vehicle or a manufactured home, both as defined in section 168.011, subdivisions 8 and 25;
- (9) a snowmobile; and
- (10) a spotter truck, as defined in section 169.01, subdivision 7a.

EFFECTIVE DATE. This section is effective the day following final enactment and expires June 30, 2013.

Sec. 18. Minnesota Statutes 2006, section 168A.05, subdivision 9, is amended to read:

Subd. 9. **Neighborhood electric vehicle and medium-speed electric vehicles; certificate required.** Neighborhood electric vehicles and medium-speed electric vehicles, as defined in section 169.01, subdivision subdivisions 91 and 94, must be titled as specified in section 168A.02. The department shall not issue a title for a neighborhood electric vehicle or a medium-speed electric vehicle (1) that lacks a vehicle identification number, and (2) for which a manufacturer's certificate of origin clearly labeling the vehicle as a neighborhood electric vehicle or similar designation has not been issued. The department shall not issue a vehicle identification number to a homemade neighborhood electric or low-speed vehicle or retrofitted golf cart, and such vehicles do not qualify as neighborhood electric vehicles.

Sec. 19. Minnesota Statutes 2006, section 168B.051, subdivision 2, is amended to read:

Subd. 2. **Sale after 45 days or title transfer.** ~~An~~ (a) If an unauthorized vehicle is impounded, other than by the city of Minneapolis or the city of St. Paul, the impounded vehicle is eligible for disposal or sale under section 168B.08, the earlier of:

~~(1) 45 days after notice to the owner, if the vehicle is determined to be an unauthorized vehicle that was not impounded by the city of Minneapolis or the city of St. Paul; or~~

(2) the date of a voluntary written title transfer by the registered owner to the impound lot operator.

(b) A voluntary written title transfer constitutes a waiver by the registered owner of any right, title, and interest in the vehicle.

Sec. 20. Minnesota Statutes 2006, section 168B.06, subdivision 1, is amended to read:

Subdivision 1. ~~Contents; Written notice given within five days of impound.~~ (a) When an impounded vehicle is taken into custody, the unit of government or impound lot operator taking it into custody shall give written notice of the taking within five days to the registered vehicle owner and any lienholders.

(b) The notice shall must:

(1) set forth the date and place of the taking;

(2) provide the year, make, model, and serial number of the impounded motor vehicle, if such information can be reasonably obtained, and the place where the vehicle is being held;

~~(2) (3) inform the owner and any lienholders of their right to reclaim the vehicle under section 168B.07, and;~~

~~(3) (4) state that failure of the owner or lienholders to:~~

(i) exercise their right to reclaim the vehicle and contents within the appropriate time allowed under section 168B.051, subdivision 1, 1a, or 2, shall be deemed and under the conditions set forth in section 168B.07, subdivision 1, constitutes a waiver by them of all right, title, and interest in the vehicle and contents and a consent to the transfer of title to and disposal or sale of the vehicle and contents pursuant to section 168B.08; or

(ii) exercise their right to reclaim the contents of the vehicle within the appropriate time allowed and under the conditions set forth in section 168B.07, subdivision 3, constitutes a waiver by them of all right, title, and interest in the contents and consent to sell or dispose of the contents under section 168B.08; and

(5) state that a vehicle owner who provides to the impound lot operator documentation from a government or nonprofit agency or legal aid office that the owner is homeless, receives relief based on need, is eligible for legal aid services, or has a household income at or below 50 percent of state median income has the unencumbered right to retrieve any and all contents without charge.

Sec. 21. Minnesota Statutes 2006, section 168B.06, subdivision 3, is amended to read:

Subd. 3. **Unauthorized vehicle; second notice.** If an unauthorized vehicle remains unclaimed after 30 days from the date the notice was sent under subdivision 2, a second notice shall must be

sent by certified mail, return receipt requested, to the registered owner, if any, of the unauthorized vehicle and to all readily identifiable lienholders of record.

Sec. 22. Minnesota Statutes 2006, section 168B.07, is amended by adding a subdivision to read:

Subd. 3. **Retrieval of contents.** (a) For purposes of this subdivision:

(1) "contents" does not include any permanently affixed mechanical or nonmechanical automobile parts; automobile body parts; or automobile accessories, including audio or video players; and

(2) "relief based on need" includes, but is not limited to, receipt of MFIP and Diversionary Work Program, medical assistance, general assistance, general assistance medical care, emergency general assistance, Minnesota supplemental aid, MSA-emergency assistance, MinnesotaCare, Supplemental Security Income, energy assistance, emergency assistance, Food Stamps, earned income tax credit, or Minnesota working family tax credit.

(b) A unit of government or impound lot operator shall establish reasonable procedures for retrieval of vehicle contents, and may establish reasonable procedures to protect the safety and security of the impound lot and its personnel.

(c) At any time before the expiration of the waiting periods provided in section 168B.051, a registered owner who provides documentation from a government or nonprofit agency or legal aid office that the registered owner is homeless, receives relief based on need, is eligible for legal aid services, or has a household income at or below 50 percent of state median income has the unencumbered right to retrieve any and all contents without charge and regardless of whether the registered owner pays incurred charges or fees, transfers title, or reclaims the vehicle.

Sec. 23. Minnesota Statutes 2006, section 168B.07, is amended by adding a subdivision to read:

Subd. 4. **Waiver of rights.** The failure of the registered owner or lienholders to exercise the right to reclaim the vehicle before the expiration of the waiting periods provided under section 168B.051 constitutes a waiver of all right, title, and interest in the vehicle and a consent to the transfer of title to, and disposal or sale of, the vehicle under section 168B.08. The failure of the registered owner to exercise the right provided under subdivision 3 constitutes a waiver of all right, title, and interest in the contents and a consent to the transfer of title to, and disposal or sale of, the contents under section 168B.08.

Sec. 24. Minnesota Statutes 2006, section 168B.08, subdivision 1, is amended to read:

Subdivision 1. **Auction or sale.** (a) If an abandoned or unauthorized vehicle ~~and contents~~ taken into custody by a unit of government or any impound lot is not reclaimed under section 168B.07, subdivision 1, it may be disposed of or sold at auction or sale when eligible pursuant to sections 168B.06 and 168B.07. If the contents of an abandoned or unauthorized vehicle taken into custody by a unit of government or any impound lot is not reclaimed under section 168B.07, subdivision 3, it may be disposed of or sold at auction or sale when eligible pursuant to sections 168B.06 and 168B.07.

(b) The purchaser shall be given a receipt in a form prescribed by the registrar of motor vehicles which shall be sufficient title to dispose of the vehicle. The receipt shall also entitle the purchaser to register the vehicle and receive a certificate of title, free and clear of all liens and claims of

ownership. Before such a vehicle is issued a new certificate of title it must receive a motor vehicle safety check.

Sec. 25. Minnesota Statutes 2006, section 169.01, is amended by adding a subdivision to read:

Subd. 7a. **Spotter truck.** "Spotter truck" means a truck-tractor with a manufacturer's certificate of origin "not for on road use" specification, used exclusively for staging or shuttling trailers in the course of a truck freight operation or freight shipping operation.

EFFECTIVE DATE. This section is effective the day following final enactment and expires June 30, 2013.

Sec. 26. Minnesota Statutes 2006, section 169.01, subdivision 55, is amended to read:

Subd. 55. **Implement of husbandry.** "Implement of husbandry" ~~has the meaning given in section 168A.01, subdivision 8~~ means a self-propelled or towed vehicle designed or adapted to be used exclusively for timber-harvesting, agricultural, horticultural, or livestock-raising operations.

Sec. 27. Minnesota Statutes 2006, section 169.01, subdivision 76, is amended to read:

Subd. 76. **Hazardous materials.** "Hazardous materials" means ~~those materials found to be hazardous for the purposes of the federal Hazardous Materials Transportation Act and that require the motor vehicle~~ any material that has been designated as hazardous under United States Code, title 49, section 5103, and is required to be placarded under Code of Federal Regulations, title 49, ~~parts 100-185 part 172, subpart F,~~ or any quantity of a material listed as a select agent or toxin in Code of Federal Regulations, title 42, part 73.

Sec. 28. Minnesota Statutes 2006, section 169.01, is amended by adding a subdivision to read:

Subd. 93. **Wireless communications device.** "Wireless communications device" means (1) a cellular phone, or (2) a portable electronic device that is capable of receiving and transmitting data, including but not limited to text messages and e-mail, without an access line for service. A wireless communications device does not include a device that is permanently affixed to the vehicle, or a global positioning system or navigation system when the system is used exclusively for navigation purposes.

Sec. 29. Minnesota Statutes 2006, section 169.01, is amended by adding a subdivision to read:

Subd. 94. **Medium-speed electric vehicle.** "Medium-speed electric vehicle" means an electrically powered four-wheeled motor vehicle, equipped with a roll cage or crushproof body design, that can attain a maximum speed of 35 miles per hour on a paved level surface, is fully enclosed and has at least one door for entry, has a wheelbase of 40 inches or greater and a wheel diameter of ten inches or greater, and except with respect to maximum speed, otherwise meets or exceeds regulations in the Code of Federal Regulations, title 49, section 571.500, and successor requirements.

Sec. 30. Minnesota Statutes 2006, section 169.18, subdivision 1, is amended to read:

Subdivision 1. **Keep to the right.** Upon all roadways of sufficient width a vehicle shall be driven upon the right half of the roadway, except as follows:

(1) when overtaking and passing another vehicle proceeding in the same direction under the

rules governing such movement;

- (2) when the right half of a roadway is closed to traffic while under construction or repair;
- (3) upon a roadway divided into three marked lanes for traffic under the rules applicable thereon;
- (4) upon a roadway designated and signposted for one-way traffic as a one-way roadway; ~~or~~
- (5) as necessary to comply with subdivision 11 when approaching an authorized emergency vehicle parked or stopped on the roadway; or
- (6) as necessary to comply with subdivision 12 when approaching a road maintenance or construction vehicle parked or stopped on the roadway.

Sec. 31. Minnesota Statutes 2006, section 169.18, subdivision 5, is amended to read:

Subd. 5. Driving left of roadway center; exception. (a) No vehicle shall be driven to the left side of the center of the roadway in overtaking and passing another vehicle proceeding in the same direction unless such left side is clearly visible and is free of oncoming traffic for a sufficient distance ahead to permit such overtaking and passing to be completely made without interfering with the safe operation of any vehicle approaching from the opposite direction or any vehicle overtaken. In every event the overtaking vehicle must return to the right-hand side of the roadway before coming within 100 feet of any vehicle approaching from the opposite direction.

(b) Except on a one-way roadway or as provided in paragraph (c), no vehicle shall, in overtaking and passing another vehicle or at any other time, be driven to the left half of the roadway under the following conditions:

(1) when approaching the crest of a grade or upon a curve in the highway where the driver's view along the highway is obstructed within a distance of 700 feet;

(2) when approaching within 100 feet of any underpass or tunnel, railroad grade crossing, intersection within a city, or intersection outside of a city if the presence of the intersection is marked by warning signs; or

(3) where official signs are in place prohibiting passing, or a distinctive centerline is marked, which distinctive line also so prohibits passing, as declared in the Manual on Uniform Traffic Control Devices adopted by the commissioner.

~~(c) Paragraph (b) does not apply to a self-propelled or towed implement of husbandry that (1) is escorted at the front by a registered motor vehicle that is displaying vehicular hazard warning lights visible to the front and rear in normal sunlight, and (2) does not extend into the left half of the roadway to any greater extent than made necessary by the total width of the right half of the roadway together with any adjacent shoulder that is suitable for travel.~~

~~(d) Paragraph (b) does not apply to a self-propelled or towed implement of husbandry that is operated to the left half of the roadway if such operation is not to a greater extent than is necessary to avoid collision with a parked vehicle, sign, or other stationary object located on the highway right-of-way.~~

Sec. 32. Minnesota Statutes 2006, section 169.18, is amended by adding a subdivision to read:

Subd. 12. **Passing certain parked vehicles.** (a) When approaching and before passing a freeway service patrol, road maintenance, or construction vehicle with its warning lights activated that is parked or otherwise stopped on or next to a street or highway having two lanes in the same direction, the driver of a vehicle shall safely move the vehicle to the lane farthest away from the vehicle, if it is possible to do so.

(b) When approaching and before passing a freeway service patrol, road maintenance, or construction vehicle with its warning lights activated that is parked or otherwise stopped on or next to a street or highway having more than two lanes in the same direction, the driver of a vehicle shall safely move the vehicle so as to leave a full lane vacant between the driver and any lane in which the vehicle is completely or partially parked or otherwise stopped, if it is possible to do so.

Sec. 33. Minnesota Statutes 2006, section 169.21, is amended by adding a subdivision to read:

Subd. 6. **Driver education curriculum.** The class D curriculum, in addition to driver education classroom curriculum prescribed in rules of statutes for class D motor vehicles, must include instruction on the duties of a driver when encountering a bicycle, other nonmotorized vehicles, or a pedestrian.

Sec. 34. Minnesota Statutes 2006, section 169.224, is amended to read:

169.224 NEIGHBORHOOD AND MEDIUM-SPEED ELECTRIC VEHICLES.

Subdivision 1. **Definition.** For purposes of this section, "road authority" means the commissioner, as to trunk highways; the county board, as to county state-aid highways and county highways; the town board, as to town roads; and the governing body of a city, as to city streets.

Subd. 2. **Required equipment.** Notwithstanding any other law, a neighborhood electric vehicle or a medium-speed electric vehicle may be operated on public streets and highways if it meets all equipment and vehicle safety requirements in Code of Federal Regulations, title 49, section 571.500, and successor requirements.

Subd. 3. **Operation.** A neighborhood electric vehicle or a medium-speed electric vehicle may not be operated on a street or highway with a speed limit greater than 35 miles per hour, except to make a direct crossing of that street or highway.

Subd. 4. **Restrictions and prohibitions.** (a) A road authority, including the commissioner of transportation by order, may prohibit or further restrict the operation of neighborhood electric vehicles and medium-speed electric vehicles on any street or highway under the road authority's jurisdiction.

(b) Neither a neighborhood electric vehicle nor a medium-speed electric vehicle may not be used to take any examination to demonstrate ability to exercise control in the operation of a motor vehicle as required under section 171.13.

Sec. 35. **[169.228] SPOTTER TRUCKS.**

Notwithstanding any other law, a spotter truck may be operated on public streets and highways if:

(1) the operator has the appropriate class of driver's license;

(2) the vehicle complies with the size, weight, and load restrictions under this chapter;

(3) the vehicle meets all inspection requirements under section 169.781; and

(4) the vehicle is operated (i) within a zone of two air miles from the truck freight operation or freight shipping operation where the vehicle is housed, or (ii) directly to and from a repair shop, service station, or fueling station for the purpose of repair, servicing, or refueling.

EFFECTIVE DATE. This section is effective the day following final enactment and expires June 30, 2013.

Sec. 36. Minnesota Statutes 2006, section 169.435, is amended to read:

169.435 STATE SCHOOL BUS SAFETY ADMINISTRATION OFFICE OF PUPIL TRANSPORTATION SAFETY.

Subdivision 1. **Responsibility; Department of Public Safety.** The Department of Public Safety has the primary responsibility for school transportation safety. The Office of Pupil Transportation Safety is created as a section under the Division of State Patrol. The commissioner or the commissioner's designee shall serve as state designate a director of pupil transportation according to subdivision 3.

Subd. 3. **Pupil transportation safety director.** ~~(a) The commissioner of public safety or the commissioner's designee shall serve as pupil transportation safety director.~~

~~(b) The duties of the pupil transportation safety director shall include:~~

~~(1) overseeing all department activities related to school bus safety;~~

~~(2) assisting in the development, interpretation, and implementation of laws and policies relating to school bus safety, in consultation with a stakeholder group consisting of, but not limited to, representatives of the school board association, school superintendents, private bus contractors, directors of transportation, school bus employees or their exclusive bargaining representatives, and parent organizations;~~

~~(3) supervising preparation of the School Bus Inspection Manual; and~~

~~(4) in conjunction with the Department of Education and the stakeholder group described in clause (2), assisting school districts in developing and implementing comprehensive transportation policies and establishing best practices for private contracts;~~

~~(5) developing and maintaining a consistent record-keeping system to document school bus inspections, out-of-service school transportation vehicles, driver turnover rate, and driver files; and~~

~~(6) conducting periodic audits of selected school districts to determine compliance with federal law and state statute concerning: (i) school bus driver requirements and driver employee background and license checks, including controlled substance and alcohol testing requirements; and (ii) duty to report violations to the commissioner of public safety. Audit results must be documented and retained by the Office of Pupil Transportation Safety, and any statutory violations documented in the audit must be reported to the commissioners of public safety and education.~~

Subd. 4. **Staff.** In addition to the pupil transportation safety director, who must be a state trooper,

the Office of Pupil Transportation Safety must be staffed by a minimum of:

(1) three state troopers, each of whom must be assigned to the metropolitan area, northern Minnesota, or southern Minnesota; and

(2) 15 school bus vehicle inspectors, one of whom must be designated chief inspector. The school bus vehicle inspectors shall perform annual and spot inspections of school buses and Head Start buses as required by law.

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

Sec. 37. Minnesota Statutes 2006, section 169.446, subdivision 2, is amended to read:

Subd. 2. **Driver training programs.** The commissioner of public safety shall adopt rules requiring a minimum of 30 minutes of thorough instruction concerning section 169.444 for persons enrolled in driver training programs offered at public, private and parochial schools, and commercial driver training schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section.

Sec. 38. **[169.475] USE OF WIRELESS COMMUNICATIONS DEVICE.**

Subdivision 1. **Definition.** For purposes of this section, "electronic message" means a self-contained piece of digital communication that is designed or intended to be transmitted between physical devices. An electronic message includes, but is not limited to, e-mail, a text message, an instant message, a command or request to access a World Wide Web page, or other data that uses a commonly recognized electronic communications protocol. An electronic message does not include voice or other data transmitted as a result of making a phone call, or data transmitted automatically by a wireless communications device without direct initiation by a person.

Subd. 2. **Prohibition on use.** No person may operate a motor vehicle while using a wireless communications device to compose, read, or send an electronic message, when the vehicle is in motion or a part of traffic.

Subd. 3. **Exceptions.** This section does not apply if a wireless communications device is used:

- (1) solely in a voice-activated or other hands-free mode;
- (2) for making a cellular phone call;
- (3) for obtaining emergency assistance to (i) report a traffic accident, medical emergency, or serious traffic hazard, or (ii) prevent a crime about to be committed;
- (4) in the reasonable belief that a person's life or safety is in immediate danger; or
- (5) in an authorized emergency vehicle while in the performance of official duties.

Sec. 39. Minnesota Statutes 2006, section 169.67, subdivision 3, is amended to read:

Subd. 3. **Trailer, semitrailer.** (a) No trailer or semitrailer with a gross vehicle weight of 3,000 or more pounds, or a gross weight that exceeds the empty weight of the towing vehicle, may be drawn on a highway unless it is equipped with brakes that are adequate to control the movement of and to stop and hold the trailer or semitrailer. A surge brake on a trailer or semitrailer meets the requirement of this paragraph for brakes adequate to stop and hold the trailer or semitrailer.

(b) No trailer or semitrailer ~~that is required to have brakes and that has~~ with a gross vehicle weight of more than ~~6,000~~ 3,000 pounds may be drawn on a highway unless it is equipped with brakes that are so constructed that they are adequate to stop and hold the trailer or semitrailer whenever it becomes detached from the towing vehicle.

(c) Except as provided in paragraph (d), paragraph (a) does not apply to:

~~(1) a trailer used by a farmer while transporting farm products produced on the user's farm, or supplies back to the farm of the trailer's user;~~

~~(2) a towed custom service vehicle drawn by a motor vehicle that is equipped with brakes that meet the standards of subdivision 5, provided that such a towed custom service vehicle that exceeds 30,000 pounds gross weight may not be drawn at a speed of more than 45 miles per hour;~~

~~(3) a trailer or semitrailer operated or used by retail dealers of implements of husbandry while engaged exclusively in the delivery of implements of husbandry;~~

~~(4) (2) a motor vehicle drawn by another motor vehicle that is equipped with brakes that meet the standards of subdivision 5; and~~

~~(5) a tank trailer of not more than 12,000 pounds gross weight owned by a distributor of liquid fertilizer while engaged exclusively in transporting liquid fertilizer, or gaseous fertilizer under pressure;~~

~~(6) a trailer of not more than 12,000 pounds gross weight owned by a distributor of dry fertilizer while engaged exclusively in the transportation of dry fertilizer; and~~

~~(7) (3) a disabled vehicle while being towed to a place of repair.~~

(d) Vehicles described in paragraph (c), ~~clauses (1), (3), and (4)~~ clause (2), may be operated without complying with paragraph (a) only if the trailer or semitrailer does not exceed the following gross weights:

(1) 3,000 pounds while being drawn by a vehicle registered as a passenger automobile, other than a pickup truck as defined in section 168.011, subdivision 29;

(2) 12,000 pounds while being drawn by any other motor vehicle ~~except a self-propelled implement of husbandry.~~

Sec. 40. Minnesota Statutes 2006, section 169.781, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 169.781 to 169.783:

(a) "Commercial motor vehicle" means:

(1) a commercial motor vehicle as defined in section 169.01, subdivision 75, paragraph (a); ~~and~~

(2) each vehicle in a combination of more than 26,000 pounds; and

(3) a spotter truck.

"Commercial motor vehicle" does not include ~~(1) a school bus or Head Start bus displaying a certificate under section 169.451, (2) a bus operated by the Metropolitan Council or by a local transit commission created in chapter 458A, or (3) a motor vehicle that is required to be placarded~~

under Code of Federal Regulations, title 49, parts 100-185.

(b) "Commissioner" means the commissioner of public safety.

(c) "Owner" means a person who owns, or has control, under a lease of more than 30 days' duration, of one or more commercial motor vehicles.

(d) "Storage semitrailer" means a semitrailer that (1) is used exclusively to store property at a location not on a street or highway, (2) does not contain any load when moved on a street or highway, (3) is operated only during daylight hours, and (4) is marked on each side of the semitrailer "storage only" in letters at least six inches high.

(e) "Building mover vehicle" means a vehicle owned or leased by a building mover as defined in section 221.81, subdivision 1, paragraph (a), and used exclusively for moving buildings.

EFFECTIVE DATE. This section is effective the day following final enactment and expires June 30, 2013.

Sec. 41. Minnesota Statutes 2006, section 169.781, subdivision 2, is amended to read:

Subd. 2. **Inspection required.** It is unlawful for a person to operate or permit the operation of:

(1) a commercial motor vehicle registered in Minnesota or a spotter truck; or

(2) special mobile equipment as defined in section 168.011, subdivision 22, and which is self-propelled, if it is mounted on a commercial motor vehicle chassis,

unless the vehicle displays a valid safety inspection decal issued by an inspector certified by the commissioner, or the vehicle carries (1) proof that the vehicle complies with federal motor vehicle inspection requirements for vehicles in interstate commerce, and (2) a certificate of compliance with federal requirements issued by the commissioner under subdivision 9.

EFFECTIVE DATE. This section is effective the day following final enactment and expires on June 30, 2013.

Sec. 42. Minnesota Statutes 2006, section 169.781, subdivision 5, is amended to read:

Subd. 5. **Inspection decal; violation, penalty.** (a) A person inspecting a commercial motor vehicle shall issue an inspection decal for the vehicle if each inspected component of the vehicle complies with federal motor carrier safety regulations. The decal must state that in the month specified on the decal the vehicle was inspected and each inspected component complied with federal motor carrier safety regulations. The decal is valid for 12 months after the month specified on the decal. The commissioners of public safety and transportation shall make decals available, at a fee of not more than \$2 for each decal, to persons certified to perform inspections under subdivision 3, paragraph (b).

(b) Minnesota inspection decals may be affixed only to:

(1) commercial motor vehicles bearing Minnesota-based license plates; or

(2) special mobile equipment, within the meaning of subdivision 2, clause (2).

(c) Notwithstanding paragraph (a), a person inspecting (1) a vehicle of less than 57,000 pounds

gross vehicle weight and registered as a farm truck, (2) a storage semitrailer, or (3) a building mover vehicle must issue an inspection decal to the vehicle unless the vehicle has one or more defects that would result in the vehicle being declared out of service under the North American Uniform Driver, Vehicle, and Hazardous Materials Out-of-Service Criteria issued by the Federal Highway Administration and the Commercial Vehicle Safety Alliance. A decal issued to a vehicle described in clause (1), (2), or (3) is valid for two years from the date of issuance. A decal issued to such a vehicle must clearly indicate that it is valid for two years from the date of issuance.

(d) Notwithstanding paragraph (a), a commercial motor vehicle that (1) is registered as a farm truck, (2) is not operated more than 75 miles from the owner's home post office, and (3) was manufactured before 1979 that has a dual transmission system, is not required to comply with a requirement in an inspection standard that requires that the service brake system and parking brake system be separate systems in the motor vehicle.

(e) A person who, with the intent to defraud, falsely makes, duplicates, alters, or forges a decal or other writing or thing purporting to be a Minnesota inspection decal described in this subdivision is guilty of a gross misdemeanor. A person who, with the intent to defraud, possesses a decal or other writing or thing falsely purporting to be a Minnesota inspection decal described in this subdivision is guilty of a gross misdemeanor.

Sec. 43. Minnesota Statutes 2006, section 169.79, is amended to read:

169.79 VEHICLE REGISTRATION; DISPLAYING LICENSE PLATES.

Subdivision 1. **Registration required.** No person shall operate, drive, or park a motor vehicle on any highway unless the vehicle is registered in accordance with the laws of this state and has the number plates or permit confirming that valid registration or operating authority has been obtained, except as provided in sections 168.10 and 168.12, subdivision 2f, as assigned to it by the commissioner of public safety, conspicuously displayed thereon in a manner that the view of any plate or permit is not obstructed. A plate issued under section 168.27 or a permit issued under chapter 168 may be displayed on a vehicle in conjunction with expired registration whether or not it displays the license plate to which the last registration was issued.

Subd. 2. **Semitrailer.** If the vehicle is a semitrailer, the number plate displayed must be assigned to the registered owner and correlate to the ~~certificate of title~~ documentation on file with the department ~~and shall not display a year indicator.~~

Subd. 3. **Rear display of single plate.** If the vehicle is a motorcycle, motor scooter, motorized bicycle, motorcycle sidecar, trailer registered at greater than 3,000 pounds gross vehicle weight (GVW), semitrailer, or vehicle displaying a dealer plate, then one license plate must be displayed horizontally with the identifying numbers and letters facing outward from the vehicle and must be mounted in the upright position on the rear of the vehicle.

Subd. 3a. **Small trailer.** If the vehicle is a trailer with 3,000 pounds or less GVW with lifetime registration, the numbered plate or sticker must be adhered to the side of the trailer frame tongue near the hitch.

Subd. 4. **Collector's vehicle.** If the vehicle is (1) a collector's vehicle with a pioneer, classic car, collector, or street rod license; (2) a vehicle that meets the requirements of a pioneer, classic, or street rod vehicle except that the vehicle is used for general transportation purposes; or (3) a vehicle

that is of model year 1972 or earlier, not registered under section 168.10, subdivision 1c, and is used for general transportation purposes, then one plate must be displayed on the rear of the vehicle, or one plate on the front and one on the rear, at the discretion of the owner.

Subd. 5. **Truck-tractor, road-tractor, or farm truck.** If the vehicle is a truck-tractor, road-tractor, or farm truck, as defined in section 168.011, subdivision 17, but excluding from that definition semitrailers and trailers, then one plate must be displayed on the front of the vehicle.

Subd. 6. **Other motor vehicles.** If the motor vehicle is any kind of motor vehicle other than those provided for in subdivisions 2 to 4, one plate must be displayed on the front and one on the rear of the vehicle.

Subd. 7. **Plate fastened and visible.** All plates must be (1) securely fastened so as to prevent them from swinging, (2) displayed horizontally with the identifying numbers and letters facing outward from the vehicle, and (3) mounted in the upright position. The person driving the motor vehicle shall keep the plate legible and unobstructed and free from grease, dust, or other blurring material so that the lettering is plainly visible at all times. It is unlawful to cover any assigned letters and numbers or the name of the state of origin of a license plate with any material whatever, including any clear or colorless material that affects the plate's visibility or reflectivity.

Subd. 8. **Plate registration stickers.** As viewed facing the plates:

(a) License plates issued to vehicles registered under section 168.017 must display the month of expiration in the lower left corner as viewed facing the of each plate and the year of expiration in the lower right corner as viewed facing the of each plate.

(b) License plates issued to vehicles registered under section 168.127 must display either fleet registration validation stickers in the lower right corner as viewed facing the plates of each plate or distinctive license plates, issued by the registrar, with "FLEET REG" displayed on the bottom center portion of the each plate.

(c) License plates issued after July 1, 2008, requiring validation must display the month of expiration in the lower left corner of each plate and the year of expiration in the lower right corner of the plate.

Subd. 9. **Tax-exempt vehicle marking.** Vehicles displaying tax-exempt plates issued under section 16B.581 or 168.012 must have vehicle markings that comply with section 168.012, subdivision 1.

Sec. 44. Minnesota Statutes 2006, section 169.801, is amended to read:

169.801 IMPLEMENT OF HUSBANDRY.

Subdivision 1. **Exemption from size, weight, load provisions.** Except as provided in this section and section 169.82, the provisions of sections 169.80 to 169.88 that govern size, weight, and load do not apply to:

~~(1) a horse-drawn wagon while carrying a load of loose straw or hay;~~

~~(2) a specialized vehicle resembling a low-slung trailer having a short bed or platform, while transporting one or more implements of husbandry; or~~

~~(3) an implement of husbandry while being driven or towed at a speed of not more than 30 miles per hour; provided that this exemption applies to an implement of husbandry owned, leased, or under the control of a farmer or implement dealer only while the implement of husbandry is being operated on noninterstate roads or highways within 75 miles of any farmland or implement dealership: (i) owned, leased, or operated by the farmer or implement dealer and (ii) on which the farmer or implement dealer regularly uses or sells or leases the implement of husbandry while operated in compliance with this section.~~

Subd. 2. **Weight per inch of tire width restrictions.** (a) An implement of husbandry that is not self-propelled and is equipped with pneumatic tires may not be operated on a public highway with a maximum wheel load that exceeds 600 pounds per inch of tire width before August 1, 1996, and 500 pounds per inch of tire width on and after August 1, 1996.

(b) After December 31, 2009, a person operating or towing an implement of husbandry on a bridge must comply with the gross weight limitations provided in section 169.824.

Subd. 3. **Hitches.** A towed implement of husbandry must be equipped with (1) safety chains that meet the requirements of section 169.82, subdivision 3, paragraph (b); (2) a regulation fifth wheel and kingpin assembly approved by the commissioner of public safety; or (3) a hitch pin or other hitching device with a retainer that prevents accidental unhitching.

Subd. 4. **Bridge posting.** Despite subdivision 2, a person operating or towing an implement of husbandry must comply with a sign that limits the maximum weight allowed on a bridge.

Subd. 5. **Height and width.** A person operating, towing, or transporting an implement of husbandry that is higher than 13 feet six inches or wider than allowed under section 169.80, subdivision 2, must ensure that the operation or transportation does not damage a highway structure, utility line or structure, or other fixture adjacent to or over a public highway.

Subd. 6. **Speed.** No person may operate or tow an implement of husbandry at a speed of more than 30 miles per hour.

Subd. 7. **Driving rules.** (a) An implement of husbandry may not be operated or towed on an interstate highway.

(b) An implement of husbandry may be operated or towed to the left of the center of a roadway only if it is escorted at the front by a vehicle displaying hazard warning lights visible in normal sunlight and the operation does not extend into the left half of the roadway more than is necessary.

Subd. 8. **Lights.** An implement of husbandry must be equipped with lights that comply with section 169.55, subdivisions 2 and 3.

Subd. 9. **Slow moving vehicle emblem.** An implement of husbandry must comply with section 169.522.

Subd. 10. **Brakes.** Notwithstanding section 169.67:

(a) A self-propelled implement of husbandry must be equipped with brakes adequate to control its movement and to stop and hold it and any vehicle it is towing.

(b) A towed implement of husbandry must be equipped with brakes adequate to control its movement and to stop and hold it if:

(1) it has a gross vehicle weight of more than 24,000 pounds and was manufactured and sold after January 1, 1994;

(2) it has a gross vehicle weight of more than 12,000 pounds and is towed by a vehicle other than a self-propelled implement of husbandry; or

(3) it has a gross vehicle weight of more than 3,000 pounds and is being towed by a registered passenger automobile other than a pickup truck as defined in section 168.011, subdivision 29.

(c) If a towed implement of husbandry with a gross vehicle weight of more than 6,000 pounds is required under paragraph (b) to have brakes, it must also have brakes adequate to stop and hold it if it becomes detached from the towing vehicle.

Sec. 45. **INFRASTRUCTURE ADAPTATIONS.**

The commissioner of transportation shall investigate and recommend opportunities for infrastructure adaptations to accommodate the implementation of manure application technologies that lessen impacts on roads and bridges.

Sec. 46. Minnesota Statutes 2006, section 169.82, subdivision 3, is amended to read:

Subd. 3. **Hitch, chain, or cable.** (a) Every trailer or semitrailer must be hitched to the towing motor vehicle by a device approved by the commissioner of public safety.

(b) Every trailer and semitrailer must be equipped with safety chains or cables permanently attached to the trailer except in cases where the coupling device is a regulation fifth wheel and kingpin assembly approved by the commissioner of public safety. In towing, the chains or cables must be attached to the vehicles near the points of bumper attachments to the chassis of each vehicle, and must be of sufficient strength to control the trailer in the event of failure of the towing device. The length of chain or cable must be no more than necessary to permit free turning of the vehicles. A minimum fine of \$25 must be imposed for a violation of this paragraph.

(c) This subdivision does not apply to towed implements of husbandry.

(d) No person may be charged with a violation of this section solely by reason of violating a maximum speed prescribed in section ~~169.145 or 169.67~~ or 169.801.

Sec. 47. Minnesota Statutes 2006, section 169.826, subdivision 1a, is amended to read:

Subd. 1a. **Harvest season increase amount.** The limitations provided in sections 169.822 to 169.829 are increased by ten percent from the beginning of harvest to November 30 each year for the movement of sugar beets, carrots, and potatoes from the field of harvest to the point of the first unloading. Transfer of the product from a farm vehicle or small farm trailer, within the meaning of chapter 168, to another vehicle is not considered to be the first unloading. A permit issued under section 169.86, subdivision 1, paragraph (a), is required. The commissioner shall not issue permits under this subdivision if to do so will result in a loss of federal highway funding to the state.

Sec. 48. Minnesota Statutes 2006, section 169.85, subdivision 1, is amended to read:

Subdivision 1. **Driver to stop for weighing.** (a) The driver of a vehicle that has been lawfully stopped may be required by an officer to submit the vehicle and load to a weighing by means of portable or stationary scales.

(b) In addition, the officer may require that the vehicle be driven to the nearest available scales, but only if:

(1) the distance to the scales is no further than five miles, or if the distance from the point where the vehicle is stopped to the vehicle's destination is not increased by more than ten miles as a result of proceeding to the nearest available scales; and

(2) if the vehicle is a commercial motor vehicle, no more than two other commercial motor vehicles are waiting to be inspected at the scale.

(c) Official traffic control devices as authorized by section 169.06 may be used to direct the driver to the nearest scale.

(d) When a truck weight enforcement operation is conducted by means of portable or stationary scales, signs giving notice of the operation must be posted within the highway right-of-way and adjacent to the roadway within two miles of the operation. The driver of a truck or combination of vehicles registered for or ~~weighing in excess of 12,000~~ with a gross vehicle weight exceeding 10,000 pounds shall proceed to the scale site and submit the vehicle to weighing and inspection.

Sec. 49. Minnesota Statutes 2006, section 169.86, subdivision 8, as added by Laws 2008, chapter 287, article 1, section 58, is amended to read:

Subd. 8. **Tow truck.** ~~A tow truck or towing vehicle, when towing a disabled or damaged vehicle to a place of repair or to a place of safekeeping, may exceed the length and weight limitations of this chapter, subject to a \$300 annual permit fee and other conditions the commissioner may prescribe. The commissioner may issue permits to an applicant who pays a single \$300 annual fee to cover all tow trucks and towing vehicles owned by the applicant and meets any other conditions prescribed by the commissioner. The permit authorizes the tow truck or towing vehicle, when towing a disabled or damaged vehicle to a place of repair or to a place of safekeeping, to exceed the length and weight limitations of this chapter.~~

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

Sec. 50. **[169.865] SPECIAL CANOLA HAULING VEHICLE PERMITS.**

Subdivision 1. **Special three-unit vehicle permit.** The commissioner may issue a permit for a vehicle that meets the following requirements:

(1) is a combination of vehicles, including a truck-tractor and a semitrailer drawing one additional trailer or semitrailer, and no semitrailer used in the three-vehicle combination has an overall length in excess of 28-1/2 feet;

(2) has a maximum gross vehicle weight of 105,500 pounds;

(3) complies with the axle weight limits in section 169.824, or with the federal bridge formula for axle groups not described in that section;

(4) complies with the tire weight limits in section 169.823, or the tire manufacturers' recommended load, whichever is less;

(5) is operated only in this state on marked Trunk Highway 175 from Hallock to the North Dakota border, on U.S. Highway 75 from Hallock to Donaldson, and on marked Trunk Highway 11 from

Donaldson to the North Dakota border; and

(6) the seasonal weight increases authorized under section 169.826, subdivision 1, do not apply.

Subd. 2. **Restrictions.** Vehicles issued permits under subdivision 1 must comply with the following restrictions:

(1) the vehicle must be operated in compliance with seasonal load restrictions under section 169.87;

(2) the vehicle may not be operated on the interstate highway system or national network highways; and

(3) the vehicle may be operated on streets or highways under the control of local authorities only upon the approval of the local authority; however, vehicles may have reasonable access to terminals and facilities for food, fuel, repairs, and rest, and for continuity of route within one mile of the national network as provided by section 169.81, subdivision 3, and by the Code of Federal Regulations, title 23, part 658.19.

Subd. 3. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1 must be annual permits. The fee is \$850 for each vehicle and must be deposited in the trunk highway fund. An amount sufficient to administer the permit program is appropriated from the trunk highway fund to the commissioner for the costs of administering the permit program.

Sec. 51. Minnesota Statutes 2006, section 169.99, is amended by adding a subdivision to read:

Subd. 1c. **Notice of surcharge.** All parts of the uniform traffic ticket must give conspicuous notice of the fact that, if convicted, the person to whom it was issued must pay a state imposed surcharge under section 357.021, subdivision 6, and the current amount of the required surcharge.

EFFECTIVE DATE. This section is effective July 1, 2008. However, law enforcement agencies may continue to issue nonconforming tickets until the supply of those tickets has been exhausted.

Sec. 52. Minnesota Statutes 2006, section 171.01, subdivision 35, is amended to read:

Subd. 35. **Hazardous materials.** "Hazardous materials" means those materials found to be hazardous for the purposes of the federal Hazardous Materials Transportation Act and that require the motor vehicle any material that has been designated as hazardous under United States Code, title 49, section 5103, and is required to be placarded under Code of Federal Regulations, title 49, parts 100-185 part 172, subpart F, or any quantity of a material listed as a select agent or toxin in Code of Federal Regulations, title 42, part 73.

Sec. 53. Minnesota Statutes 2006, section 171.01, subdivision 46, is amended to read:

Subd. 46. **School bus.** "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120A.22, or to or from school-related activities, by the school or a school district or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, a transit bus providing services as defined in section 174.22, subdivision 7, or a vehicle otherwise qualifying as a type III vehicle under section 169.01, subdivision 6, paragraph (5), when the vehicle is properly registered and insured and being driven by an employee or agent of a school

~~district for nonscheduled transportation.~~ has the meaning given in section 169.01, subdivision 6.

Sec. 54. Minnesota Statutes 2007 Supplement, section 171.02, subdivision 2, is amended to read:

Subd. 2. **Driver's license classifications, endorsements, exemptions.** (a) Drivers' licenses are classified according to the types of vehicles that may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly.

(b) Except as provided in paragraph (c), clauses (1) and (2), and subdivision 2a, no class of license is valid to operate a motorcycle, school bus, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed. There are four general classes of licenses as described in paragraphs (c) through (f).

(c) Class D drivers' licenses are valid for:

(1) operating all farm trucks if the farm truck is:

(i) controlled and operated by a farmer, including operation by an immediate family member or an employee of the farmer;

(ii) used to transport agricultural products, farm machinery, or farm supplies, including hazardous materials, to or from a farm;

(iii) not used in the operations of a common or contract motor carrier as governed by Code of Federal Regulations, title 49, part 365; and

(iv) used within 150 miles of the farm;

(2) notwithstanding paragraph (b), operating an authorized emergency vehicle, as defined in section 169.01, subdivision 5, whether or not in excess of 26,000 pounds gross vehicle weight;

(3) operating a recreational vehicle as defined in section 168.011, subdivision 25, that is operated for personal use;

(4) operating all single-unit vehicles except vehicles with a gross vehicle weight of more than 26,000 pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials;

(5) notwithstanding paragraph (d), operating a type A school bus or a multifunctional school activity bus without a school bus endorsement if:

(i) the bus has a gross vehicle weight of 10,000 pounds or less;

(ii) the bus is designed to transport 15 or fewer passengers, including the driver; and

(iii) the requirements of subdivision 2a are satisfied, as determined by the commissioner;

(6) operating any vehicle or combination of vehicles when operated by a licensed peace officer while on duty; and

(7) towing vehicles if:

(i) the towed vehicles have a gross vehicle weight of 10,000 pounds or less; or

(ii) the towed vehicles have a gross vehicle weight of more than 10,000 pounds and the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.

(d) Class C drivers' licenses are valid for:

(1) operating class D motor vehicles;

(2) with a hazardous materials endorsement, ~~transporting hazardous materials in~~ operating class D vehicles to transport hazardous materials; ~~and~~

(3) with a passenger endorsement, operating buses; and

~~(3)~~ (4) with a passenger endorsement and school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver.

(e) Class B drivers' licenses are valid for:

(1) operating all class C motor vehicles, class D motor vehicles, and all other single-unit motor vehicles including, with a passenger endorsement, buses; and

(2) towing only vehicles with a gross vehicle weight of 10,000 pounds or less.

(f) Class A drivers' licenses are valid for operating any vehicle or combination of vehicles.

Sec. 55. Minnesota Statutes 2006, section 171.03, is amended to read:

171.03 PERSONS EXEMPT.

The following persons are exempt from license hereunder:

(a) A person in the employ or service of the United States federal government is exempt while driving or operating a motor vehicle owned by or leased to the United States federal government.

(b) A person in the employ or service of the United States federal government is exempt from the requirement to possess a valid class A, class B, or class C commercial driver's license while driving or operating for military purposes a commercial motor vehicle ~~owned by or leased to~~ for the United States federal government if the person is:

(1) on active duty in the U. S. Coast Guard;

(2) on active duty in a branch of the U. S. Armed Forces, which includes the Army, Air Force, Navy, and Marine Corps;

(3) a member of a reserve component of the U. S. Armed Forces; or

(4) on active duty in the Army National Guard or Air National Guard, which includes (i) a member on full-time National Guard duty, (ii) a member undergoing part-time National Guard training, and (iii) a National Guard military technician, who is a civilian required to wear a military uniform.

The exemption provided under this paragraph does not apply to a U. S. Armed Forces Reserve technician.

(c) Any person while driving or operating any farm tractor or implement of husbandry

temporarily on a highway is exempt. For purposes of this section, an all-terrain vehicle, as defined in section 84.92, subdivision 8, an off-highway motorcycle, as defined in section 84.787, subdivision 7, and an off-road vehicle, as defined in section 84.797, subdivision 7, are not implements of husbandry.

(d) A nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresident in the home state or country may operate a motor vehicle in this state only as a driver.

(e) A nonresident who has in immediate possession a valid commercial driver's license issued by a state or jurisdiction in accordance with the standards of Code of Federal Regulations, title 49, part 383, and who is operating in Minnesota the class of commercial motor vehicle authorized by the issuing state or jurisdiction is exempt.

(f) Any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, but only for a period of not more than 90 days in any calendar year, if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of the nonresident.

(g) Any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or jurisdiction or by military authorities of the United States may operate a motor vehicle as a driver, but only for a period of not more than 60 days after becoming a resident of this state, without being required to have a Minnesota driver's license as provided in this chapter.

(h) Any person who becomes a resident of the state of Minnesota and who has in possession a valid commercial driver's license issued by another state or jurisdiction in accordance with the standards of Code of Federal Regulations, title 49, part 383, is exempt for not more than 30 days after becoming a resident of this state.

(i) Any person operating a snowmobile, as defined in section 84.81, is exempt.

Sec. 56. Minnesota Statutes 2006, section 171.055, subdivision 2, is amended to read:

Subd. 2. Use of provisional license. (a) A provisional license holder may operate a motor vehicle only when every occupant under the age of 18 has a seat belt or child passenger restraint system properly fastened. A person who violates this paragraph is subject to a fine of \$25. A peace officer may not issue a citation for a violation of this paragraph unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation as defined in section 171.04. The commissioner shall not record a violation of this paragraph on a person's driving record.

(b) A provisional license holder may not operate a vehicle while communicating over, or otherwise operating, a cellular or wireless telephone, whether handheld or hands free, when the vehicle is in motion. The provisional license holder may assert as an affirmative defense that the violation was made for the sole purpose of obtaining emergency assistance to prevent a crime about to be committed, or in the reasonable belief that a person's life or safety was in danger. Violation of this paragraph is a petty misdemeanor subject to section 169.89, subdivision 2.

(c) If the holder of a provisional license during the period of provisional licensing incurs (1) a conviction for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) a conviction for a crash-related moving violation, or (3) more than one conviction for a moving

violation that is not crash related, the person may not be issued a driver's license until 12 consecutive months have expired since the date of the conviction or until the person reaches the age of 18 years, whichever occurs first.

(d) For the first six months of provisional licensure, a provisional license holder may not operate a motor vehicle carrying more than one passenger under the age of 20 years who is not a member of the holder's immediate family. For the second six months, the holder of the license may not operate a motor vehicle that is carrying more than three passengers who are under the age of 20 years and who are not members of the holder's immediate family. This paragraph does not apply if the provisional license holder is accompanied by a parent or guardian.

(e) For the first six months of provisional licensure, a provisional license holder may operate a motor vehicle between the hours of midnight and 5:00 a.m. only when the license holder is:

- (1) driving between the license holder's home and place of employment;
- (2) driving between the license holder's home and a school event for which the school has not provided transportation;
- (3) driving for employment purposes; or
- (4) accompanied by a licensed driver at least 25 years of age.

Sec. 57. Minnesota Statutes 2006, section 171.0701, is amended to read:

171.0701 DRIVER EDUCATION; ~~ORGAN AND TISSUE DONATION~~ CONTENT.

(a) The commissioner shall adopt rules requiring a minimum of 30 minutes of instruction, beginning January 1, 2007, relating to organ and tissue donations and the provisions of section 171.07, subdivision 5, for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools.

(b) The commissioner shall adopt rules for persons enrolled in driver education programs offered at public schools, private schools, and commercial driver training schools, requiring inclusion in the course of instruction, by January 1, 2009, a section on awareness and safe interaction with commercial motor vehicle traffic. The rules must require classroom instruction and behind-the-wheel training that includes, but is not limited to, truck stopping distances, proper distances for following trucks, identification of truck blind spots, and avoidance of driving in truck blind spots.

(c) The rules adopted by the commissioner under paragraph (b) are exempt from the rulemaking provisions of chapter 14. The rules are subject to section 14.386, except that notwithstanding paragraph (b) of section 14.386, the rules continue in effect until repealed or superseded by other law or rule.

Sec. 58. Minnesota Statutes 2006, section 171.13, subdivision 1, is amended to read:

Subdivision 1. **Examination subjects and locations; provisions for color blindness, disabled veterans.** Except as otherwise provided in this section, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include a test of applicant's eyesight; ability to read and understand highway signs regulating, warning, and directing traffic; knowledge of traffic laws; knowledge of the effects of alcohol and

drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal penalties and financial consequences resulting from violations of laws prohibiting the operation of a motor vehicle while under the influence of alcohol or drugs; knowledge of railroad grade crossing safety; knowledge of slow-moving vehicle safety; knowledge of laws relating to pupil transportation safety, including the significance of school bus lights, signals, stop arm, and passing a school bus; knowledge of traffic laws related to bicycles; an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways, provided, further however, no driver's license shall be denied an applicant on the exclusive grounds that the applicant's eyesight is deficient in color perception. Provided, however, that war veterans operating motor vehicles especially equipped for disabled persons, shall, if otherwise entitled to a license, be granted such license. The commissioner shall make provision for giving these examinations either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

Sec. 59. Minnesota Statutes 2006, section 171.13, is amended by adding a subdivision to read:

Subd. 1i. **Pupil transportation safety.** The commissioner shall include in each edition of the driver's manual a section relating to pupil transportation safety laws.

Sec. 60. Minnesota Statutes 2006, section 171.13, is amended by adding a subdivision to read:

Subd. 1j. **Driver's manual; interaction with commercial motor vehicle.** The commissioner shall include in each edition of the driver's manual published by the department after August 1, 2008, a section that includes information on awareness and safe interaction with commercial motor vehicle traffic.

Sec. 61. Minnesota Statutes 2006, section 171.165, subdivision 2, is amended to read:

Subd. 2. **Implied consent revocation.** The commissioner shall disqualify a person from operating commercial motor vehicles for a revocation under section 169A.52 or a statute or ordinance from another state or jurisdiction in conformity with it, ~~in accordance with~~ for a period that is equivalent in duration under the driver disqualifications and penalties in Code of Federal Regulations, title 49, part 383, subpart D, that pertain to a conviction of being under the influence of alcohol or refusal to be tested.

Sec. 62. **[171.168] NOTIFICATION OF CONVICTION FOR VIOLATION BY COMMERCIAL DRIVER.**

(a) Each person who operates a commercial motor vehicle, who has a commercial driver's license issued by this state, and who is convicted of a criminal offense; of a serious traffic violation, as defined in Code of Federal Regulations, title 49, section 383.5; or of violating any other state or local law relating to motor vehicle traffic control, other than a parking violation, in any type of motor vehicle in another state or jurisdiction, shall notify the department's Division of Driver and Vehicle Services of the conviction. The person shall notify the division within 30 days after the date that the person was convicted.

(b) Each person who operates a commercial motor vehicle, who has a commercial driver's license issued by this state, and who is convicted of violating, in any type of motor vehicle, a Minnesota state or local law relating to motor vehicle traffic control, other than a parking violation, shall notify

the person's employer of the conviction. The person shall notify the person's employer within 30 days after the date that the person was convicted. If the person is not currently employed, the person shall notify the division according to paragraph (a).

(c) Notification to the division must be made in writing and contain the following information:

(1) the driver's full name;

(2) the driver's license number;

(3) the date of conviction;

(4) the specific criminal or other offense; serious traffic violation, as defined in Code of Federal Regulations, title 49, section 383.5; and any other violation of state or local law relating to motor vehicle traffic control, for which the person was convicted and any suspension, revocation, or cancellation of certain driving privileges that resulted from the conviction;

(5) an indication whether the violation was in a commercial motor vehicle;

(6) the location of the offense; and

(7) the driver's signature.

Sec. 63. [171.169] NOTIFICATION OF SUSPENSION OF LICENSE OF COMMERCIAL DRIVER.

Each employee, as defined in Code of Federal Regulations, title 49, section 383.5, who has a Minnesota-issued driver's license suspended, revoked, or canceled by this state or another state or jurisdiction, who loses the right to operate a commercial motor vehicle in this state or another state or jurisdiction for any period, or who is disqualified from operating a commercial motor vehicle for any period, shall notify the person's employer of the suspension, revocation, cancellation, lost privilege, or disqualification. The employee shall notify the employer before the end of the business day following the day the employee received notice of the suspension, revocation, cancellation, lost privilege, or disqualification.

Sec. 64. Minnesota Statutes 2006, section 171.321, subdivision 1, is amended to read:

Subdivision 1. **Endorsement.** No person shall drive a school bus when transporting school children to or from school or upon a school-related trip or activity without having a valid class A, class B, or class C driver's license with a school bus endorsement except that a person possessing a valid driver's license but not a school bus endorsement may drive a ~~vehicle with a seating capacity of ten or less persons used as a school bus but not outwardly equipped or identified as a school bus~~ type III vehicle.

Sec. 65. Minnesota Statutes 2006, section 174.03, subdivision 1, is amended to read:

Subdivision 1. **Statewide transportation plan; priorities; schedule of expenditures.** In order to best meet the present and future transportation needs of the public, to insure a strong state economy, to make most efficient use of public and private funds, and to promote the more efficient use of energy and other resources for transportation purposes, the commissioner shall:

(1) three months after notification that the department is ready to commence operations and

prior to the drafting of the statewide transportation plan, hold public hearings as may be appropriate solely for the purpose of receiving suggestions for future transportation alternatives and priorities for the state. The Metropolitan Council, regional development commissions, and port authorities shall appear at the hearings and submit information concerning transportation-related planning undertaken and accomplished by these agencies. Other political subdivisions may appear and submit such information at the hearings. These hearings shall be completed no later than six months from the date of the commissioner's notification;

(2) develop, adopt, revise, and monitor a statewide transportation plan, taking into account the suggestions and information submitted at the public hearings held pursuant to clause (1). The plan shall incorporate all modes of transportation and provide for the interconnection and coordination of different modes of transportation. The commissioner shall evaluate alternative transportation programs and facilities proposed for inclusion in the plan in terms of economic costs and benefits, safety aspects, impact on present and planned land uses, environmental effects, energy efficiency, national transportation policies and priorities, and availability of federal and other financial assistance;

(3) based upon the statewide transportation plan, develop statewide transportation priorities and schedule authorized public capital improvements and other authorized public transportation expenditures pursuant to the priorities. As permitted by the federal surface transportation program and subject to available funding, the commissioner shall give serious consideration to prioritizing for funding those trunk highway projects in the metropolitan area, as defined in section 473.121, subdivision 2, that are consistent with policies included in the Metropolitan Council's metropolitan development guide, transportation policy plan, and regional development framework, and that have been awarded funding through the federal surface transportation program. In responding to an unforeseen, catastrophic event affecting the state transportation system, the commissioner may, upon written notification to the chairs of the senate and house of representatives committees with jurisdiction over transportation policy and finance, prioritize projects without regard to availability of federal funding; and

(4) complete the plan and priorities required by this subdivision no later than July 1, 1978. Upon completion of the plan and priorities, the commissioner shall prepare and periodically revise, as necessary, the schedule of authorized public transportation expenditures. The plan, priorities, and schedule are exempt from the provisions of the Administrative Procedure Act.

EFFECTIVE DATE. This section is effective January 1, 2009.

Sec. 66. Minnesota Statutes 2006, section 174.03, is amended by adding a subdivision to read:

Subd. 1b. Statewide freight and passenger rail plan. (a) The commissioner shall develop a comprehensive statewide freight and passenger rail plan to be included and revised as a part of the statewide transportation plan.

(b) Before the initial version of the plan is adopted, the commissioner shall provide a copy for review and comment to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation policy and finance. Notwithstanding paragraph (a), the commissioner may adopt the next revision of the statewide transportation plan, scheduled to be completed in calendar year 2009, prior to completion of the initial version of the comprehensive statewide freight and passenger rail plan.

Sec. 67. Minnesota Statutes 2006, section 174.24, is amended by adding a subdivision to read:

Subd. 1a. **Transit service needs implementation plan.** The commissioner shall develop a transit service needs implementation plan that contains a goal of meeting at least 80 percent of unmet transit service needs in greater Minnesota by July 1, 2015, and meeting at least 90 percent of unmet transit service needs in greater Minnesota by July 1, 2025. The plan must include, but is not limited to, the following: an analysis of ridership and transit service needs throughout greater Minnesota; a calculation of unmet needs; an assessment of the level and type of service required to meet unmet needs; an analysis of costs and revenue options; and, a plan to reduce unmet transit service needs as specified in this subdivision. The plan must specifically address special transportation service ridership and needs. The commissioner may amend the plan as necessary, and may use all or part of the 2001 greater Minnesota public transportation plan created by the Minnesota Department of Transportation.

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

Sec. 68. **[174.247] ANNUAL TRANSIT REPORT.**

(a) By February 15 annually, the commissioner shall submit a report to the legislature on transit services outside the metropolitan area. The Metropolitan Council and any public transit system receiving assistance under section 174.24 shall provide assistance in creating the report, as requested by the commissioner.

(b) The report must include, at a minimum, the following:

(1) a descriptive overview of public transit in Minnesota;

(2) a descriptive summary of funding sources and assistance programs;

(3) a summary of each public transit system receiving assistance under section 174.24;

(4) data that identifies use of volunteers in providing transit service;

(5) financial data that identifies operating and capital costs, and funding sources, for each public transit system and for each transit system classification under section 174.24, subdivision 3b; and

(6) in each odd-numbered year, beginning in 2009, a calculation of the amounts of surplus or insufficient funds available for (i) paying the state share of transit operating costs under section 174.24, subdivision 3b, and (ii) paying capital and operating costs to fully implement the transit service needs implementation plan under section 174.24, subdivision 1a.

EFFECTIVE DATE. This section is effective January 1, 2009.

Sec. 69. **[174.37] ADVISORY COMMITTEE ON NONMOTORIZED TRANSPORTATION.**

Subdivision 1. **Purpose.** (a) The commissioner of transportation shall establish an advisory committee on nonmotorized transportation. The committee shall make recommendations to the commissioner on items related to nonmotorized transportation, including safety, education, and development programs. The committee shall review and analyze issues and needs relating to operating nonmotorized transportation on public rights-of-way, and identify solutions and goals for addressing identified issues and needs.

(b) For purposes of this section, "nonmotorized transportation" includes bicycling, pedestrian activities, and other forms of nonmotorized transportation.

Subd. 2. **Members.** The advisory committee must consist of the following members:

(a) The commissioner of transportation shall appoint up to 18 public members, as follows: one member from each of the department's seven greater Minnesota districts; four members from the department's metropolitan district; and no more than seven members at large. Each of the members at large must represent nonmotorized interests or organizations.

(b) The commissioners of each of the following state agencies shall appoint an employee of the agency to serve as a member: administration, education, health, natural resources, public safety, transportation, and pollution control. The chair of the Metropolitan Council shall appoint an employee of the council to serve as a member. The director of Explore Minnesota Tourism shall appoint an employee of the agency to serve as a member. The division administrator of the Federal Highway Administration may appoint an employee of the agency to serve as a member.

(c) Members of the committee shall serve four-year terms.

Subd. 3. **Meetings.** The commissioner of transportation's designee shall convene the first meeting by January 15, 2009. The committee shall elect a chair from its membership, and shall establish a meeting schedule and meet at least annually.

Subd. 4. **Reports.** The committee shall issue an annual report to the commissioner of transportation.

Subd. 5. **Expenses.** Members of the advisory committee serve without compensation, but members who are not employees of government agencies must be reimbursed for expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. The commissioner of transportation shall provide department staff support to the committee.

Subd. 6. **Expiration.** Notwithstanding section 15.059, subdivision 5, the committee expires June 30, 2014.

Sec. 70. Minnesota Statutes 2006, section 221.011, is amended by adding a subdivision to read:

Subd. 50. **Out-of-service order.** "Out-of-service order" has the meaning given it in Code of Federal Regulations, title 49, section 383.5.

Sec. 71. Minnesota Statutes 2006, section 221.031, subdivision 1, is amended to read:

Subdivision 1. **Powers, duties, reports, limitations.** (a) This subdivision applies to motor carriers engaged in intrastate commerce.

(b) The commissioner shall prescribe rules for the operation of motor carriers, including their facilities; accounts; leasing of vehicles and drivers; service; safe operation of vehicles; equipment, parts, and accessories; hours of service of drivers; driver qualifications; accident reporting; identification of vehicles; installation of safety devices; inspection, repair, and maintenance; and proper automatic speed regulators if, in the opinion of the commissioner, there is a need for the rules.

(c) The commissioner shall direct the repair and reconstruction or replacement of an inadequate or unsafe motor carrier vehicle or facility. The commissioner may require the construction and maintenance or furnishing of suitable and proper freight terminals, passenger depots, waiting rooms, and accommodations or shelters in a city in this state or at a point on the highway traversed which the commissioner, after investigation by the department, may deem just and proper for the protection of passengers or property.

(d) The commissioner shall require holders of household goods mover permits to file ~~annual and other reports including annual accounts of motor carriers,~~ schedules of rates and charges, or other data by motor carriers, regulate motor carriers in matters affecting the relationship between them and the traveling and shipping public, and prescribe other rules as may be necessary to carry out the provisions of this chapter.

~~(e) A motor carrier subject to paragraph (d) but having gross revenues from for hire transportation in a calendar year of less than \$200,000 may, at the discretion of the commissioner, be exempted from the filing of an annual report, if instead the motor carrier files an abbreviated annual report, in a form as may be prescribed by the commissioner, attesting that the motor carrier's gross revenues did not exceed \$200,000 in the previous calendar year. Motor carrier gross revenues from for hire transportation, for the purposes of this subdivision only, do not include gross revenues received from the operation of school buses as defined in section 169.01, subdivision 6.~~

~~(f)~~ The commissioner shall enforce sections 169.781 to 169.783.

Sec. 72. Minnesota Statutes 2006, section 221.036, subdivision 1, is amended to read:

Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of (1) section 221.021; (2) section 221.033, subdivision 2b; (3) section 221.151; (4) section 221.171; (5) section 221.141; (6) a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway grade crossings; or ~~(6)~~ (7) rules of the commissioner relating to the transportation of hazardous waste, motor carrier operations, insurance, or tariffs and accounting. An order must be issued as provided in this section.

Sec. 73. Minnesota Statutes 2006, section 221.036, subdivision 3, is amended to read:

Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order assessing a penalty of up to \$5,000 for all violations of section 221.021; 221.141; 221.151; or 221.171, or rules of the commissioner relating to motor carrier operations, insurance, or tariffs and accounting, identified during a single inspection, audit, or investigation.

(b) The commissioner may issue an order assessing a penalty up to a maximum of \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single inspection or audit.

(c) In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations,

and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(d) ~~The commissioner shall assess a penalty of not less than \$1,000 against a driver who is convicted of a violation of an out-of-service order. The commissioner shall assess a penalty of not more than \$10,000 against an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of an out-of-service order.~~ in accordance with Code of Federal Regulations, title 49, section 383.53 against:

(1) a driver who is convicted of a violation of an out-of-service order;

(2) an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of an out-of-service order; or

(3) an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of a federal, state, or local law or regulation pertaining to railroad-highway grade crossings.

Sec. 74. Minnesota Statutes 2006, section 221.121, subdivision 1, is amended to read:

Subdivision 1. **Petition; ~~notice and hearing~~; scope.** (a) A person desiring to operate as a permit carrier, except as provided in subdivision 5 or section 221.296, shall file a petition with the commissioner specifying the kind of permit desired, the name and address of the petitioner and the names and addresses of the officers, if a corporation, and other information as the commissioner may require. Letters of shipper support must be filed with the petition. No person shall knowingly make a false or misleading statement in a petition.

(b) ~~The commissioner, after notice to interested parties and a hearing, shall issue the permit upon compliance with the laws and rules relating to it, if it finds that petitioner is fit and able to conduct the proposed operations, that petitioner's vehicles meet the safety standards established by the department, that the area to be served has a need for the transportation services requested in the petition, and that existing permit and certificated carriers in the area to be served have failed to demonstrate that they offer sufficient transportation services to meet fully and adequately those needs,~~ provided that no person who holds a permit at the time sections 221.011 to 221.291 take effect may be denied a renewal of the permit upon compliance with other provisions of sections 221.011 to 221.291.

(c) A permit once granted continues in full force and effect until abandoned or unless suspended or revoked, subject to compliance by the permit holder with the applicable provisions of law and the rules of the commissioner governing permit carriers.

(d) No permit may be issued to a common carrier by rail permitting the common carrier to operate trucks for hire within this state, nor may a common carrier by rail be permitted to own, lease, operate, control, or have an interest in a permit carrier by truck, either by stock ownership or otherwise, directly, indirectly, through a holding company, or by stockholders or directors in common, or in any other manner. Nothing in sections 221.011 to 221.291 prevents the commissioner from issuing a permit to a common carrier by rail authorizing the carrier to operate trucks wholly within the limits

of a municipality or within adjacent or contiguous municipalities or a common rate point served by the railroad and only as a service supplementary to the rail service now established by the carriers.

Sec. 75. Minnesota Statutes 2006, section 221.121, subdivision 6a, is amended to read:

Subd. 6a. **Household goods carrier.** A person who desires to hold out or to operate as a carrier of household goods shall follow the procedure established in subdivision 1, and shall specifically request a household goods mover permit. The permit granted by the commissioner to a person who meets the criteria established in this subdivision and subdivision 1 shall authorize the person to hold out and to operate as a household goods mover. A person who provides or offers to provide household goods packing services and who makes any arrangement directly or indirectly by lease, rental, referral, or by other means to provide or to obtain drivers, vehicles, or transportation service for moving household goods, must have a household goods mover permit file an application with the commissioner on a form the commissioner prescribes. Notwithstanding this or any other section or rule to the contrary, the commissioner must not provide public notice or hearing when reviewing the application or before granting the requested operating authority. All permits granted to household goods carriers must allow statewide operation. Notwithstanding any geographical restrictions imposed upon a permit at the time it was granted or any section or rule to the contrary, the holder of a household goods permit may operate statewide.

Sec. 76. Minnesota Statutes 2006, section 221.151, subdivision 1, is amended to read:

Subdivision 1. **Petition.** (a) Permits, except livestock permits, issued under section 221.121 may be assigned or transferred but only upon the order of the commissioner approving the transfer or assignment after notice and hearing.

(b) The proposed seller and buyer or lessor and lessee of a permit, except for livestock carrier permits, shall file a joint notarized petition with the commissioner setting forth the name and address of the parties, the identifying number of the permit, and the description of the authority which the parties seek to sell or lease, a short statement of the reasons for the proposed sale or lease, a statement of outstanding claims of creditors which are directly attributable to the operation to be conducted under the permit, a copy of the contract of sale or lease, and a financial statement with a balance sheet and an income statement, if existent, of the buyer or lessee. If it appears to the commissioner, after notice to interested parties and a hearing, from the contents of the petition, from the evidence produced at the hearing, and from the department's records, files, and investigation that the approval of the sale or lease of the permit will not adversely affect the rights of the users of the service and will not have an adverse effect upon other competing carriers, the commissioner may make an order granting the sale or lease. Provided, however, that the commissioner shall make no order granting the sale or lease of a permit to a person or corporation or association which holds a certificate or permit other than local cartage carrier permit from the commissioner under this chapter or to a common carrier by rail.

Provided further that the commissioner shall make no order approving the sale or lease of a permit if the commissioner finds that the price paid for the sale or lease of a permit is disproportionate to the reasonable value of the permit considering the assets and goodwill involved. The commissioner shall approve the sale or lease of a permit only after a finding that the transferee is fit and able to conduct the operations authorized under the permit and that the vehicles the transferee proposes to use in conducting the operations meet the safety standards of the commissioner. In determining the extent of the operating authority to be conducted by the

~~transferee under the sale or lease of the permit, the past operations of the transferor within the two-year period immediately preceding the transfer must be considered. Only such operating authority may be granted to the transferee as was actually exercised by the transferor under the transferor's authority within the two-year period immediately preceding the transfer as evidenced by bills of lading, company records, operation records, or other relevant evidence. For purposes of determining the two-year period, the date of divesting of interest or control is the date of the sale.~~

(c) The commissioner shall look to the substance of the transaction rather than the form. An agreement for the transfer or sale of a permit must be reported and filed with the commissioner within 30 days of the agreement.

(d) If an authority to operate as a permit carrier is held by a corporation, a sale, assignment, pledge, or other transfer of the stock interest in the corporation which will accomplish a substantial or material change or transfer of the majority ownership of the corporation, as exercised through its stockholders, must be reported in the manner prescribed in the rules of the commissioner within 30 days after the sale, assignment, pledge, or other transfer of stock. The commissioner shall then make a finding whether or not the stock transfer does, in fact, constitute a sale, lease, or other transfer of the permit of the corporation to a new party or parties and, if they so find, then the continuance of the permit issued to the corporation may only be upon the corporation's complying with the standards and procedures otherwise imposed by this section.

Sec. 77. Minnesota Statutes 2006, section 221.221, subdivision 2, is amended to read:

Subd. 2. **Enforcement powers.** (a) Transportation program specialists and hazardous material program specialists of the department, for the purpose of enforcing are authorized to enforce (1) this chapter, sections 169.781 to 169.783 relating to commercial vehicle inspections, and sections 168D.05 and 168D.12 relating to motor carrier licenses and trip permits, (2) Code of Federal Regulations, title 49, parts 40 and 382, and (3) the applicable rules, orders, or directives of the commissioner of transportation and the commissioner of revenue, issued under this chapter and chapter 168D or 296A, but for no other purpose, have the powers conferred by law upon police officers. The powers include the authority to and (4) the North American Uniform Out-Of-Service Criteria, including issuing out-of-service orders, as defined in Code of Federal Regulations, title 49, section 383.5, and they may conduct inspections at designated highway weigh stations or under other appropriate circumstances.

(b) Transportation program specialists and hazardous material program specialists of the department must not be armed and, except as provided in this section, have none of the other powers and privileges reserved to peace officers, including the power to enforce traffic laws and regulations.

Sec. 78. Minnesota Statutes 2006, section 222.50, subdivision 7, is amended to read:

Subd. 7. **Expenditures.** (a) The commissioner may expend money from the rail service improvement account for the following purposes:

(1) to make transfers as provided under section 222.57 or to pay interest adjustments on loans guaranteed under the state rail user and rail carrier loan guarantee program;

(2) to pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track,

and connections between existing lines, and construction and improvement of loading, unloading, storage, and transfer facilities of a rail user;

(3) to acquire, maintain, manage, and dispose of railroad right-of-way pursuant to the state rail bank program;

(4) to provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track;

(5) to pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A;

(6) to pay the state matching portion of federal grants for rail-highway grade crossing improvement projects; and

(7) to fund rail planning studies.

(b) All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 79. Minnesota Statutes 2006, section 239.791, subdivision 10, is amended to read:

Subd. 10. **Exemption for airport, marina, mooring facility, and resort.** A person responsible for the product may offer for sale, sell, or dispense at an airport, ~~marina, mooring facility, or resort,~~ for use in airplanes ~~or for purposes listed under subdivision 12, paragraph (a),~~ gasoline that is not oxygenated in accordance with subdivision 1 if the gasoline is unleaded premium grade as defined in section 239.751, subdivision 4.

Sec. 80. Minnesota Statutes 2006, section 239.791, is amended by adding a subdivision to read:

Subd. 10a. **Exemption for resorts, marinas, and houseboat rental companies.** A person responsible for the product may offer for sale, sell, or dispense at a resort, marina, or houseboat rental company gasoline that is not oxygenated in accordance with subdivision 1 if the gasoline: has an octane rating of 87 or higher; is delivered into onsite bulk storage; and is not used for a licensed motor vehicle as defined in section 168.011, subdivision 4.

Sec. 81. Minnesota Statutes 2006, section 299D.03, subdivision 1, is amended to read:

Subdivision 1. **Members, powers, and duties.** (a) The commissioner is hereby authorized to employ and designate a chief supervisor, a chief assistant supervisor, and such assistant supervisors, sergeants and officers as are provided by law, who shall comprise the Minnesota State Patrol.

(b) The members of the Minnesota State Patrol shall have the power and authority:

(1) as peace officers to enforce the provisions of the law relating to the protection of and use of trunk highways;

(2) at all times to direct all traffic on trunk highways in conformance with law, and in the event of a fire or other emergency, or to expedite traffic or to insure safety, to direct traffic on other roads as conditions may require notwithstanding the provisions of law;

(3) to serve search warrants related to criminal motor vehicle and traffic violations and arrest warrants, and legal documents anywhere in the state;

(4) to serve orders of the commissioner of public safety or the commissioner's duly authorized agents issued under the provisions of the Driver's License Law, the Safety Responsibility Act, or relating to authorized brake- and light-testing stations, anywhere in the state and to take possession of any license, permit, or certificate ordered to be surrendered;

(5) to inspect official brake and light adjusting stations;

(6) to make appearances anywhere within the state for the purpose of conducting traffic safety educational programs and school bus clinics;

(7) to exercise upon all trunk highways the same powers with respect to the enforcement of laws relating to crimes, as sheriffs and police officers;

(8) to cooperate, under instructions and rules of the commissioner of public safety, with all sheriffs and other police officers anywhere in the state, provided that said employees shall have no power or authority in connection with strikes or industrial disputes;

(9) to assist and aid any peace officer whose life or safety is in jeopardy;

(10) as peace officers to provide security and protection to the governor, governor elect, either or both houses of the legislature, and state buildings or property in the manner and to the extent determined to be necessary after consultation with the governor, or a designee. Pursuant to this clause, members of the State Patrol, acting as peace officers have the same powers with respect to the enforcement of laws relating to crimes, as sheriffs and police officers have within their respective jurisdictions;

(11) to inspect school buses anywhere in the state for the purposes of determining compliance with vehicle equipment, pollution control, and registration requirements;

(12) as peace officers to make arrests for public offenses committed in their presence anywhere within the state. Persons arrested for violations other than traffic violations shall be referred forthwith to the appropriate local law enforcement agency for further investigation or disposition; and

(13) to enforce the North American uniform out-of-service criteria and issue out-of-service orders, as defined in Code of Federal Regulations, title 49, section 383.5.

(c) The state may contract for State Patrol members to render the services described in this section in excess of their regularly scheduled duty hours and patrol members rendering such services shall be compensated in such amounts, manner and under such conditions as the agreement provides.

(d) Employees thus employed and designated shall subscribe an oath.

Sec. 82. Minnesota Statutes 2006, section 299D.06, is amended to read:

299D.06 PATROL EMPLOYEES WHO ARE NOT TROOPERS.

(a) Department personnel must be classified employees assigned to the Division of State Patrol if they are employed to enforce:

(1) laws relating to motor vehicle equipment; school bus equipment; drivers' licenses; motor

vehicle registration; motor vehicle size and weight; motor carrier insurance, registration, and safety; and motor vehicle petroleum taxes;

(2) Pollution Control Agency rules relating to motor vehicle noise abatement; ~~and~~

(3) laws relating to directing the movement of vehicles; and

(4) the North American uniform out-of-service criteria and issue out-of-service orders, as defined in Code of Federal Regulations, title 49, section 383.5.

(b) Employees engaged in these duties, while actually on the job during their working hours only, shall have power to:

(1) issue citations in lieu of arrest and continued detention; and

(2) prepare notices to appear in court for violation of these laws and rules, in the manner provided in section 169.91, subdivision 3.

(c) They shall not be armed and, except as provided in this section, shall have none of the other powers and privileges reserved to peace officers including the power to enforce traffic laws and regulations.

Sec. 83. Minnesota Statutes 2006, section 465.74, is amended by adding a subdivision to read:

Subd. 10. **Facility relocation costs.** Notwithstanding any contrary provisions in section 237.163, and rules adopted under that section, public right-of-way users under Minnesota Rules, chapter 7819, including, but not limited to, district heating and district cooling nonprofit corporations organized under chapter 317A that are exempt organizations under section 501(c)(3) of the United States Internal Revenue Code, are eligible to receive grants and federal money for costs of relocating facilities from public rights-of-way to prevent interference with public light rail projects, unless eligibility would impact the project's Federal Transit Authority required cost effectiveness index.

Sec. 84. Minnesota Statutes 2006, section 473.13, subdivision 1a, is amended to read:

Subd. 1a. **Program evaluation.** The budget procedure of the council must include a substantive assessment and evaluation of the effectiveness of each significant program of the council, with, to the extent possible, quantitative information on the status, progress, costs, benefits, and effects of each program. An assessment of progress towards meeting transit goals for people with disabilities must be included, with required elements including, but not limited to:

(1) a description of proposed program enhancements;

(2) an assessment of progress;

(3) identification of the estimated total number of potential and actual riders who are disabled;

(4) an assessment of the level and type of service required to meet unmet ridership needs; and

(5) an analysis of costs and revenue options, including a calculation of the amounts of surplus or insufficient funds available for achieving paratransit needs.

The council shall transmit the evaluation to the legislature annually.

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

Sec. 85. Minnesota Statutes 2006, section 473.399, is amended by adding a subdivision to read:

Subd. 5. **Availability of light rail transit information.** The Metropolitan Council shall maintain in a centralized location on an Internet Web site, for each light rail transit line operated by the council and for each year of operation of the line:

- (1) financial data, including revenue by source and operating and capital expenses; and
- (2) ridership information, including ridership and passenger miles.

Sec. 86. Laws 1976, chapter 199, section 14, subdivision 1, as amended by Laws 1984, chapter 572, section 3, subdivision 1, is amended to read:

Subdivision 1. **Safety regulation study.** The commissioner of transportation, with the cooperation of representatives of regional and local units of government and law enforcement agencies, the state trail council, the Governor's trail advisory committee, the commissioner of public safety, highway user groups and associations, and cycling groups and associations shall review and analyze problems relating to the operation of bicycles on the public roads and ways.

As part of this review and analysis the commissioner shall review the Minnesota motor vehicle code to identify provisions which give motorists and bicyclists inadequate guidelines where such traffic conflicts or which may be inconsistent or ambiguous when applied to traffic situations involving special bicycle facilities within or adjacent to public streets and highways.

No later than January 15, 1977 the commissioner shall report the results of this review and analysis and recommendations for any necessary action to the legislative committees having jurisdiction over the subject.

~~Following the completion of the study the advisory committee on bicycling formed by the commissioner under this subdivision shall continue to function under that name in an advisory capacity to make recommendations to the commissioners of transportation and public safety and the legislature on bicycle safety and bicycle education and development programs.~~

Sec. 87. **ENGINE BRAKES; REGULATION BY MINNEAPOLIS.**

Notwithstanding any other law or charter provision, the governing body of the city of Minneapolis may by ordinance restrict or prohibit the use of an engine brake on motor vehicles along Legislative Route No. 107, also known as marked Interstate Highway 394, beginning at the South Penn Avenue interchange in the city of Minneapolis and thence extending easterly to the terminus of marked Interstate Highway 394. Upon notification to the commissioner of transportation by the city of Minneapolis, the commissioner of transportation shall erect the appropriate signs, with the cost of the signs to be paid by the city. For purposes of this section, "engine brake" means any device that uses the engine and transmission to impede the forward motion of the motor vehicle by compression of the engine.

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

Sec. 88. **LITTLE CROW TRANSIT WAY.**

The commissioner of transportation and the Metropolitan Council shall reference in planning or study documents any commuter rail or other transit service proposal along or near marked Trunk Highway 12 between Willmar and downtown Minneapolis as the Little Crow transit way.

Sec. 89. HIGHWAY CHANGES; REPEALERS; EFFECTIVE DATES; REVISOR INSTRUCTIONS.

Subdivision 1. **Legislative Route No. 295 removed.** (a) Minnesota Statutes 2006, section 161.115, subdivision 226, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the city of St. Peter to transfer jurisdiction of Legislative Route No. 295 to the city of St. Peter and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor in writing that the conditions required to transfer the route are satisfied.

Subd. 2. **Legislative Route No. 335 removed.** (a) Minnesota Statutes 2006, section 161.115, subdivision 266, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the city of St. Peter to transfer jurisdiction of Legislative Route No. 335 to the city of St. Peter and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor in writing that the conditions required to transfer the route are satisfied.

Sec. 90. RIGHT-OF-WAY TRANSFERRED TO STATE RAIL BANK.

(a) Notwithstanding Minnesota Statutes, section 16B.281, 16B.282, 92.45, or any other law to the contrary, the trunk highway right-of-way described in paragraph (b) is hereby transferred to the state rail bank under Minnesota Statutes, section 222.63, being a certain parcel of land located in the county of Otter Tail, state of Minnesota, being more particularly described in paragraph (b).

(b) All of Tracts A, B, and C described below:

TRACT A

That part of Government Lot 1 of Section 12, Township 132 North, Range 43 West, Otter Tail County, Minnesota, lying Northeasterly of the former Southwesterly right-of-way line of the BNSF Railway Company (formerly the St. Paul, Minneapolis and Manitoba Railway Company);

TRACT B

A strip of land 150 feet in width, being 75 feet on each side of the former centerline of the BNSF Railway Company (formerly the St. Paul, Minneapolis and Manitoba Railway Company) across the SW1/4NW1/4 of Section 12, Township 132 North, Range 43 West, Otter Tail County, Minnesota, said strip extending from the South line to the West line of said SW1/4NW1/4; together with that part of said SW1/4NW1/4 adjoining and Westerly of the above described strip and Easterly of the Easterly right-of-way line of said railroad company as located prior to 1888;

TRACT C

A strip of land 100 feet in width, being 50 feet on each side of the former centerline of the

BNSF Railway Company (formerly the St. Paul, Minneapolis and Manitoba Railway Company) across the E1/2NE1/4 of Section 11, Township 132 North, Range 43 West, Otter Tail County, Minnesota, said strip extending from the East to the North line of said E1/2NE1/4;

together with that part of Tract D described below:

TRACT D

A strip of land 100 feet in width, being 50 feet on each side of the former centerline of the BNSF Railway Company (formerly the St. Paul, Minneapolis and Manitoba Railway Company) across the E1/2 of Section 2, Township 132 North, Range 43 West, Otter Tail County, Minnesota;

which lies Southeasterly of a line run parallel with and distant 135 feet Southeasterly of Line 1 described below:

LINE 1.

Beginning at a point on the North and South Quarter line of said Section 2, distant 1,060.11 feet North of the South Quarter corner thereof; thence run Northeasterly at an angle of 72°36'15" (measured from North to East) from said North and South Quarter line for 1,600 feet and there terminating;

together with all right of access, being the right of ingress to and egress from that part of Tract D hereinbefore described, not acquired herein, to the above described strip.

Sec. 91. BRIDGE INFRASTRUCTURE PLANNING.

Subdivision 1. **Trunk highway bridge improvements.** In conjunction with the planning or design for construction, reconstruction, or replacement of a trunk highway bridge in the metropolitan area, within the meaning of Minnesota Statutes, section 473.121, the commissioner of transportation shall consult with the chair of the Metropolitan Council to identify necessary or feasible transit infrastructure and improvements in the corridor.

Subd. 2. **Planning and development.** The commissioner and the chair shall develop a process to coordinate planning and development of highway and transit projects to enhance the efficient use of resources, facilitate selection of appropriate infrastructure choices, and provide a balanced transportation system for the metropolitan area.

Sec. 92. CREATION OF PLAN, REPORTS, AND ASSESSMENTS.

The Department of Transportation and the Metropolitan Council shall create the plan, reports, and assessments required in Minnesota Statutes, sections 174.24, subdivision 1a; 174.247; and 473.13, subdivision 1a, within current appropriation levels.

Sec. 93. REPORT ON OFFICE OF PUPIL TRANSPORTATION SAFETY.

By January 15, 2009, the commissioner of public safety and the director of pupil transportation safety must report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation and education policy and finance concerning the Office of Pupil Transportation Safety, including adequacy of funding, staffing

levels, available technology to carry out the requirements of Minnesota Statutes, section 169.435, and any recommended legislation to improve the ability of the pupil transportation safety director to perform statutory duties.

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

Sec. 94. COMPLETE STREETS.

The commissioner of transportation, in cooperation with the Metropolitan Council and representatives of counties, statutory and home rule charter cities, and towns, shall study the benefits, feasibility, and cost of adopting a complete streets policy applicable to plans to construct, reconstruct, and relocate streets and roads that includes the following elements:

- (1) safe access for all users, including pedestrians, bicyclists, motorists, and transit riders;
- (2) bicycle and pedestrian ways in urbanized areas except where bicyclists and pedestrians are prohibited by law, where costs would be excessively disproportionate, and where there is no need for bicycle and pedestrian ways;
- (3) paved shoulders on rural roads;
- (4) safe pedestrian travel, including for people with disabilities, on sidewalks and street crossings;
- (5) utilization of the latest and best design standards; and
- (6) consistency of complete streets plan with community context.

The commissioner shall report findings, conclusions, and recommendations to the senate Transportation Budget and Policy Division and the house of representatives Transportation Finance Division and Transportation and Transit Policy Subcommittee by December 5, 2009.

Sec. 95. APPROPRIATION.

\$575,000 is appropriated from the trunk highway fund to the commissioner of public safety in fiscal year 2009 to implement and operate the Office of Pupil Transportation Safety.

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

Sec. 96. REVISOR'S INSTRUCTION.

The revisor of statutes shall change the terms "type III school bus," "type III bus," and "type III Head Start bus" to "type III vehicle," and the terms "type III school buses," "type III buses," and "type III Head Start buses" to "type III vehicles," in Minnesota Statutes, chapters 169, 169A, and 171, and in Minnesota Rules, parts 7470.1400 and 7470.1500.

Sec. 97. REPEALER.

Minnesota Statutes 2006, sections 168.123, subdivision 2a; 168B.087, subdivision 2; 169.145; 169.446, subdivision 3; and 221.121, subdivision 4, are repealed.

ARTICLE 2

RAILWAY WALKWAY SAFETY

Section 1. **[219.501] RAIL CARRIER WALKWAYS.**

Subdivision 1. **Duty to provide walkways.** (a) Rail carriers must provide walkways adjacent to those portions of yard tracks where rail carrier employees frequently work on the ground performing switching activities. For purposes of this section, "frequently work" means at least five days per week, one shift per day.

(b) This section applies to reconstruction and new construction of yard track completed after July 1, 2008.

(c) This section does not apply to an entity that owns or operates track in this state other than class one and class two rail carriers as classified by the Federal Railroad Administration.

Subd. 2. **General requirements.** (a) Walkways constructed pursuant to this section may be surfaced with asphalt, concrete, planking, grating, native material, crushed material, or other similar nonrevenue material. When crushed material is used, 100 percent of the material must be capable of passing through a 1-1/2-inch square sieve opening, and at least 90 percent of the material must be capable of passing through a one-inch square sieve opening provided, however, a de minimus variation is not a violation of this section where the rail carrier has made a good faith effort to comply with the percentage requirements. Smaller crushed material is preferable, where drainage and durability issues do not arise. Material that is three-quarter inch or less in size is recommended for switching lead tracks.

(b) Walkways must have a reasonably uniform surface and must be maintained in a safe condition without compromising track drainage.

(c) Cross slopes for walkways must not exceed one inch of elevation for each eight inches of horizontal length in any direction.

(d) Walkways must be a minimum width of two feet.

(e) Walkways regulated under this section must be kept reasonably clear of spilled fuel, oil, sand, posts, rocks, and other hazards or obstructions.

Subd. 3. **Allowances for unusual conditions.** Rail carriers are not required to comply with the requirements of this section during (1) maintenance activities or any period of heavy rain or snow, derailments, rock and earth slides, washouts, and similar weather or seismic conditions, and (2) during a reasonable period after any occurrences identified in clause (1) in order to allow a return to compliance.

Subd. 4. **Waiver of requirements.** Upon written request of a rail carrier, the commissioner may waive any portion of this section where conditions do not reasonably allow compliance. A decision of the commissioner is subject to the requirements under section 218.041.

Sec. 2. Minnesota Statutes 2006, section 219.51, is amended to read:

219.51 CLEARANCE VIOLATIONS AND PENALTIES.

Subdivision 1. **Clearance Violation.** A common carrier, corporation, or person subject to sections 219.45 to 219.53 violating any of the provisions of those sections, is liable to a penalty of not more than \$500 for each violation.

Subd. 2. **Failure to correct.** If a common carrier, person, or corporation (1) fails to correct a violation of sections 219.45 to 219.53 when ordered by the commissioner of transportation within the time provided in the order, and (2) does not appeal the order, then failure to correct the violation as ordered by the commissioner constitutes a new and separate offense distinct from the original violation of sections 219.45 to 219.53.

Subd. 3. **Duties of attorney general.** The penalty must be recovered in a suit brought in the name of the state by the attorney general in a court having jurisdiction in the locality where the violation was committed. Under the direction of the commissioner, the attorney general shall bring suit upon receipt of duly verified information from any person of a violation being committed. The commissioner shall lodge with the attorney general information of any violation as may come to their knowledge.

Subd. 4. **Walkway orders.** When the commissioner finds that rail carrier employees who frequently work adjacent to a portion of track performing switching activities are exposed to safety hazards due to the lack of a walkway or to the condition of a walkway constructed before July 1, 2008, the commissioner may, under the provisions of this section, order a rail carrier to construct a walkway adjacent to a portion of track where employees are performing switching activities, or require a rail carrier to modify an existing walkway in conformance with the standards set forth in section 219.501, within a reasonable period of time.

Subd. 5. **Filing of complaints.** No formal complaint of an alleged violation of sections 219.45 to 219.53 may be filed until the filing party has attempted to address the alleged violations with the rail carrier. Any complaint of an alleged violation must contain a written statement that the filing party has made a reasonable, good faith attempt to address the alleged violation.

Sec. 3. Minnesota Statutes 2006, section 609.85, subdivision 6, is amended to read:

Subd. 6. **Trespass; allowing animals on track exception.** Whoever intentionally trespasses, or who permits animals under the person's control to trespass on a railroad track, yard, or bridge is guilty of a misdemeanor. This subdivision does not apply to an elected union official's access to those facilities when acting in an official capacity, to an employee acting within the scope of employment, or to a person with written permission from the railroad company to enter upon the railroad facility."

Delete the title and insert:

"A bill for an act relating to transportation; modifying or adding provisions relating to highways, motor vehicles, vehicle registration, traffic regulations and surcharges, commercial vehicles and vehicle combinations and permits, pupil transportation and school bus drivers, drivers' licenses, driver training, motor fuels, the State Patrol, transit and paratransit planning, the transfer of right-of-way to state rail bank, nonmotorized transportation, transportation finance, and other transportation-related programs or practices; requiring studies and reports; imposing penalties; appropriating money; amending Minnesota Statutes 2006, sections 86B.825, subdivision 5; 161.14, by adding a subdivision; 162.02, by adding a subdivision; 163.051, subdivision 1; 168.011, subdivisions 7, 22; 168.012, subdivision 1, by adding a subdivision; 168.013, by adding a subdivision; 168.021, subdivisions 1, 2; 168.09, subdivision 7; 168.185; 168.28; 168A.01, subdivision 21; 168A.03, subdivision 1; 168A.05, subdivision 9; 168B.051, subdivision 2; 168B.06, subdivisions 1, 3; 168B.07, by adding subdivisions; 168B.08, subdivision 1; 169.01, subdivisions 55, 76, by adding subdivisions; 169.18, subdivisions 1, 5, by adding a subdivision;

169.21, by adding a subdivision; 169.224; 169.435; 169.446, subdivision 2; 169.67, subdivision 3; 169.781, subdivisions 1, 2, 5; 169.79; 169.801; 169.82, subdivision 3; 169.826, subdivision 1a; 169.85, subdivision 1; 169.86, subdivision 8, as added; 169.99, by adding a subdivision; 171.01, subdivisions 35, 46; 171.03; 171.055, subdivision 2; 171.0701; 171.13, subdivision 1, by adding subdivisions; 171.165, subdivision 2; 171.321, subdivision 1; 174.03, subdivision 1, by adding a subdivision; 174.24, by adding a subdivision; 219.51; 221.011, by adding a subdivision; 221.031, subdivision 1; 221.036, subdivisions 1, 3; 221.121, subdivisions 1, 6a; 221.151, subdivision 1; 221.221, subdivision 2; 222.50, subdivision 7; 239.791, subdivision 10, by adding a subdivision; 299D.03, subdivision 1; 299D.06; 465.74, by adding a subdivision; 473.13, subdivision 1a; 473.399, by adding a subdivision; 609.85, subdivision 6; Minnesota Statutes 2007 Supplement, section 171.02, subdivision 2; Laws 1976, chapter 199, section 14, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 168; 169; 171; 174; 219; repealing Minnesota Statutes 2006, sections 168.123, subdivision 2a; 168B.087, subdivision 2; 169.145; 169.446, subdivision 3; 221.121, subdivision 4."

We request the adoption of this report and repassage of the bill.

House Conferees: (Signed) Melissa Hortman, Terry Morrow, Alice Hausman, Michael V. Nelson, Ron Erhardt

Senate Conferees: (Signed) Steve Murphy, D. Scott Dibble, Katie Sieben, Michael J. Jungbauer, Rick E. Olseen

Senator Murphy moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3800 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 3800 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 62 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Koering	Olseen	Saxhaug
Bakk	Erickson Ropes	Kubly	Olson, G.	Scheid
Berglin	Fischbach	Langseth	Olson, M.	Sheran
Betzold	Foley	Larson	Ortman	Sieben
Bonoff	Frederickson	Latz	Pappas	Skoe
Carlson	Gerlach	Limmer	Pariseau	Skogen
Chaudhary	Gimse	Lourey	Pogemiller	Stumpf
Clark	Hann	Lynch	Prettner Solon	Torres Ray
Cohen	Higgins	Marty	Rest	Vickerman
Dahle	Ingebrigtsen	Metzen	Robling	Wiger
Day	Johnson	Michel	Rosen	
Dibble	Jungbauer	Moua	Rummel	
Dille	Koch	Murphy	Saltzman	

Those who voted in the negative were:

Senjem	Sparks	Tomassoni	Vandever	Wergin
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 3780: A bill for an act relating to occupations and professions; allowing optometrists to dispense a legend drug at retail under certain conditions; amending Minnesota Statutes 2006, sections 145.711, by adding a subdivision; 148.574.

Senate File No. 3780 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 16, 2008

Senator Berglin moved that the Senate do not concur in the amendments by the House to S.F. No. 3780, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

RECESS

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

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

APPOINTMENTS

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

S.F. No. 3780: Senators Berglin, Rosen, Lourey, Lynch and Sheran.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 100: A bill for an act relating to health; establishing state policy for stem cell research; providing criminal penalties; proposing coding for new law in Minnesota Statutes, chapters 137;

145.

Senate File No. 100 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 7, 2008

CONCURRENCE AND REPASSAGE

Senator Cohen moved that the Senate concur in the amendments by the House to S.F. No. 100 and that the bill be placed on its repassage as amended. The motion prevailed.

CALL OF THE SENATE

Senator Cohen imposed a call of the Senate for the balance of the proceedings on S.F. No. 100. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 100 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 40 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Larson	Murphy	Saxhaug
Bakk	Dahle	Latz	Olseen	Scheid
Berglin	Dibble	Lourey	Pappas	Sheran
Betzold	Doll	Lynch	Pogemiller	Sieben
Bonoff	Erickson Ropes	Marty	Prettner Solon	Skoe
Carlson	Foley	Metzen	Rest	Tomassoni
Chaudhary	Higgins	Michel	Rummel	Torres Ray
Clark	Langseth	Moua	Saltzman	Wiger

Those who voted in the negative were:

Day	Hann	Kubly	Robling	Vandever
Dille	Ingebrigtsen	Limmer	Rosen	Vickerman
Fischbach	Johnson	Olson, G.	Senjem	Wergin
Frederickson	Jungbauer	Olson, M.	Skogen	
Gerlach	Koch	Ortman	Sparks	
Gimse	Koering	Pariseau	Stumpf	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 3301 and 615.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 16, 2008

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 3301: A bill for an act relating to transportation; modifying provisions relating to design-build projects; requiring a report; amending Minnesota Statutes 2006, sections 161.3412, subdivision 3; 161.3420, subdivisions 2, 3, 4; 161.3426, subdivisions 1, 3; repealing Minnesota Statutes 2006, section 161.3426, subdivision 2.

Referred to the Committee on Transportation.

H.F. No. 615: A bill for an act relating to education; modifying the sexually transmitted infections and diseases education program; requiring information on certain immunizations; amending Minnesota Statutes 2006, section 121A.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 121A.

SUSPENSION OF RULES

Senator Pogemiller moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 615 and that the rules of the Senate be so far suspended as to give H.F. No. 615 its second and third reading and place it on its final passage.

CALL OF THE SENATE

Senator Limmer imposed a call of the Senate for the balance of the proceedings on H.F. No. 615. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Pogemiller motion.

Senator Pogemiller moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 41 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Dahle	Latz	Pogemiller	Stumpf
Bakk	Dibble	Lourey	Prettner Solon	Tomassoni
Berglin	Doll	Marty	Rest	Torres Ray
Betzold	Erickson Ropes	Metzen	Rummel	Vickerman
Bonoff	Foley	Moua	Saxhaug	Wiger
Carlson	Higgins	Murphy	Scheid	
Chaudhary	Kubly	Olseen	Sheran	
Clark	Langseth	Olson, M.	Sieben	
Cohen	Larson	Pappas	Skoe	

Those who voted in the negative were:

Day	Gerlach	Johnson	Limmer	Pariseau
Dille	Gimse	Jungbauer	Lynch	Robling
Fischbach	Hann	Koch	Olson, G.	Rosen
Frederickson	Ingebrigtsen	Koering	Ortman	Saltzman

Skogen

Sparks

Vandevveer

The motion did not prevail.

Senator Pogemiller moved that H.F. No. 615 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 3360 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 3360

A bill for an act relating to animals; prohibiting the possession of certain items related to animal fighting; imposing criminal penalties; amending Minnesota Statutes 2006, section 343.31, subdivision 1.

May 16, 2008

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 3360 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 3360 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 343.31, subdivision 1, is amended to read:

Subdivision 1. **Penalty for animal fighting; attending animal fight.** ~~A person who~~ (a) Whoever does any of the following is guilty of a felony:

(1) promotes, engages in, or is employed in the activity of cockfighting, dogfighting, or violent pitting of one ~~domestic pet or companion animal~~ as defined in section 346.36, subdivision 6, against another of the same or a different kind;

(2) receives money for the admission of a person to a place used, or about to be used, for that activity;

(3) willfully permits a person to enter or use for that activity premises of which the permitter is the owner, agent, or occupant; or

(4) uses, trains, or possesses a dog or other animal for the purpose of participating in, engaging in, or promoting that activity.

~~is guilty of a felony. A person who~~

(b) Whoever purchases a ticket of admission or otherwise gains admission to ~~that~~ the activity

of cockfighting, dogfighting, or violent pitting of one pet or companion animal as defined in section 346.36, subdivision 6, against another of the same or a different kind is guilty of a gross misdemeanor.

(c) This subdivision shall not apply to the taking of a wild animal by hunting.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to animals; increasing the penalty for attending an animal fighting event; changing provisions prohibiting animal fights; imposing criminal penalties; amending Minnesota Statutes 2006, section 343.31, subdivision 1."

We request the adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Leo T. Foley, Mee Moua, Bill G. Ingebrigtsen

House Conferees: (Signed) Joe Mullery, Leon Lillie, Paul Kohls

Senator Foley moved that the foregoing recommendations and Conference Committee Report on S.F. No. 3360 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 3360 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

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

Those who voted in the affirmative were:

Anderson	Doll	Koering	Olseen	Saxhaug
Bakk	Erickson Ropes	Kubly	Olson, G.	Scheid
Berglin	Fischbach	Langseth	Olson, M.	Sheran
Betzold	Foley	Larson	Ortman	Sieben
Bonoff	Frederickson	Latz	Pappas	Skoe
Carlson	Gerlach	Limmer	Pariseau	Skogen
Chaudhary	Gimse	Lourey	Pogemiller	Sparks
Clark	Hann	Lynch	Prettner Solon	Stumpf
Cohen	Higgins	Marty	Rest	Tomassoni
Dahle	Ingebrigtsen	Metzen	Robling	Torres Ray
Day	Johnson	Michel	Rosen	Vickerman
Dibble	Jungbauer	Moua	Rummel	Wiger
Dille	Koch	Murphy	Saltzman	

Those who voted in the negative were:

Vandevveer

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECESS

Senator Pogemiller moved that the Senate do now recess subject to the call of the President. The

motion prevailed.

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

MEMBERS EXCUSED

Senator Chaudhary was excused from the Session of today from 12:00 noon to 12:30 p.m. Senator Anderson was excused from the Session of today from 12:00 noon to 12:45 p.m. Senator Pariseau was excused from the Session of today from 12:00 noon to 1:15 p.m. Senator Moua was excused from the Session of today from 12:00 noon to 1:20 p.m. Senator Skogen was excused from the Session of today from 12:00 noon to 1:25 p.m. Senator Koering was excused from the Session of today from 12:00 noon to 2:40 p.m. Senator Erickson Ropes was excused from the Session of today from 12:00 noon to 7:35 p.m. Senator Berglin was excused from the Session of today from 12:25 to 1:50 p.m. and from 7:00 to 7:55 p.m. Senator Senjem was excused from the Session of today from 12:35 to 1:05 p.m. Senator Wergin was excused from the Session of today from 12:35 to 2:00 p.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 10:00 a.m., Saturday, May 17, 2008. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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